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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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RETAILERS ON THE ADJUSTMENT OF PRICE QUESTION

Clothiers Take Exception to Information In The Financial Post

BUSINESS OUTLOOK

No Assurance of Immediate Improvement—Bank Deposits Increase While Current Loans Decline

At the recent conventions of hardware retailers in Hamilton and of clothing retailers in Toronto the question of price adjustments was discussed and at both the information which has been printed in THE FINANCIAL POST dealing with the matter was referred to. At Hamilton the summary of the opinions of bank managers throughout the country was given as evidence that in many communities the opinion prevailed that retail prices had not been brought down as rapidly as the adjustments in the primary commodity markets warranted. On this point the general attitude of the convention was quite evidently in agreement with the views of President J. C. Wanless, who remarked that he had heard that a great many hardware men had not made money and added:

> I say it frankly that if they have not made money within the last five years that I am afraid they will be missing in the line of hardware men before prices are finally readjusted. I further believe every hardware man should adjust his prices as they are adjusted by the manufacturers and wholesalers, and that he should give his customers the benefit of lower prices as they are changed. I believe this is good merchandising and will serve to secure the confidence, good will, and, as a result, the business of his community.

At the convention of the clothing men, however, there was a feeling of resentment that advice should be given in connection with the policy of the retailers in regard to their prices. A resolution was passed that "representations be drafted" to refute the allegation that "the retail trade generally had not absorbed sufficient financial loss in the readjustment of the retail price of commodities."

The Post's Position

The information in THE FINANCIAL POST was secured direct from hundreds of bank managers throughout Canada. It indicated that in about half the communities heard from the opinion prevailed that the retailer had not reduced his prices as rapidly as conditions warranted. There has been nothing since to indicate that this did not correctly represent the general situation.

In almost every line of business, and particularly in the clothing trade, there have been some who have wisely made their adjustments in accordance with replacement values and they have profited thereby; they have taken their losses on the downward scale and are now in a position to take advantage of low prices in their buying—and they have had a "turn" and held their customers. The clothing branch of the Ontario Retail Merchants' Association no doubt has on its membership many who followed this wise course. But it may be candidly stated that to-day the high-class clothing and haberdashery dealers are suffering because of the exploitation of the public which has taken place in many so-called price readjustment sales.

The Bank Statement

The bank statement for January indicates an increase in deposits and a decrease in commercial loans, thus bearing out the early prediction of a freer money supply at the beginning of the year. The banks are now faced with the problem of putting this money to profitable employment.

The condition of business generally does not give any definite assurance that an immediate turn for the better is at hand. Bearish elements still prevail, and despite the fact that stocks in many lines have been largely liquidated there has been no revival of buying on a large scale. Unusual seasonal influences have been at work to curtail turnover in a number of lines, particularly in woollens,

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FOUR SEASON BUYING

Retail Clothing Men Favor a Change of System

At the convention of the clothing section of the Retail Merchants' Association of Ontario at Toronto this week a resolution was passed that the association adopt the four-season method of buying merchandise instead of the two-season buying now employed. It was felt that this would prove a solution for the many bargain sales now being put on owing to merchants being overstocked. A committee of three was appointed to wait on the manufacturers' association to have this new system put into effect.

NO CONFIDENCE IN THE RUSSIAN SOVIET

Is Out to Upset the Present Systems of Government And Commerce

By Resident Representative.

OTTAWA.—Regarding the proposed trade agreements with Soviet Russia, Sir George Foster, Minister of Trade, questions how any "government," admittedly living to upset the present systems of government and commerce all over the world, could give guarantees that would be worth anything. At present Russia is largely non-productive, and has nothing to export in exchange. The peasants grow only enough food to supply the necessities of their individual families and even this is hidden to avoid confiscation. The transportation system is so demoralized that even if the imports which the Soviet claim they need to start the country on a productive basis were received, they could not be adequately distributed, nor could the return product be collected. At present the large part of imports are diverted to the use of the army and not to the people or to commercial development.

Sir George understands that among other conditions which the British authorities demanded of Mr. Krassin at the recent London conference was an assurance that imports received under any trade agreement shall not be diverted to the Soviet for their own use, and that revolutionary emissaries must be withheld from propaganda work in other countries. Inasmuch as both of these conditions violate the fundamental principles of Bolshevism it is to be questioned whether the reported favorable acceptance, by Moscow, of the trade terms as submitted by Krassin, is sincere.

OIL PIONEERS ARE BEING PROTECTED

New Legislation Will Take Into Consideration Investments Already Made

By Resident Representative.

OTTAWA.—The Government has passed an order-in-council recognizing the vested rights of those who have already spent much time and money in the development of the oil areas of the Mackenzie River district. The amended regulations provide that companies which had acquired the right to petroleum and gas locations in the territory and had disposed of stock or made other commitments prior to the date of the new regulations of February 11 shall not be affected by the clauses of the latter which at first seemed to disturb holdings under the old regulations.

The Imperial Oil Company is the one most affected, and the feeling is that as this company in particular had spent large sums in development, and made the first important strike of oil in the new territory, it was only justice that their interests should not be prejudiced by regulations which were admittedly made to prevent wildcatting.

The change in the regulations will be an encouragement to those who had already done development work and had a substantial stake in the country to proceed with their operations. It is understood here that the prospects in the new field are so favorable that other big concerns, such as the Shell Company, which it will be remembered applied to parliament a few years ago for exclusive rights in the new territory and was refused the same, will still go in and do development work.

HEAVY FINANCING FOR CANADIAN PAPER INDUSTRY

Some $20,000,000 Needed To Cover Near-Future Requirements

INDUSTRY IS SOUND

Expansion Cost More Than Anticipated—Also the Wood Piles—Dividend Situation Considered

By Resident Representative.

MONTREAL.—Is anything seriously wrong with the pulp and paper industry of Canada?

This question has been raised by many investors in the securities and shares of Canadian pulp and paper companies during the past week, when market prices of pulp and paper stocks on the exchange, in two instances particularly, showed a sharp decline.

What situation peculiar to the pulp and paper industry was the market decline discounting? Or was the pulp and paper industry following blindly the lead of other industries throughout the world, whose markets and consequent earning powers were readjusting themselves to meet more normal conditions?

Utmost Confidence in Industry

So far as the Canadian pulp and paper industry itself is concerned, it should be viewed with the utmost confidence. Canadian lumber and pulp and paper ranks with Canadian agriculture and animal products, one of the three most favorably situated of Canadian industries; one of the three whose future prospects are the brightest—whose earning power promises to reach even higher levels in the future—with the world market for its product available and particularly with the United States becoming more and more dependent on Canadian sources of supply for steadily increasing quantities of lumber and pulp and paper. Moreover, the Canadian pulp and paper industry holds as an almost invaluable and certainly irreplaceable asset for the various companies as individuals and Canada at large enormous resources of cheap pulpwood and lumber, and an abundant supply of cheap hydro-electric power, in the face of steadily depleted supplies of raw material, particularly in the United States, which now imports from Canada two-thirds of the pulpwood used in its own paper industry.

In the face of this is it to be wondered that Canadians regard the lumber and pulp and paper industry as being able to stand on its own feet in the face of competition from any other country, and is it to be wondered at that those who are familiar with the Canadian industrial situation feel with confidence that eventually Canada will dominate completely the pulp and paper market of the United States, which is the greatest pulp and paper market in the world?

Financial Requirements

What of the immediate present?

Probably the only element—except lack of confidence in the general industrial situation—that has caused the unsettlement in the market situation of pulp and paper securities is the reputed financial requirements of several of our larger pulp and paper companies. To a great extent this has been foreseen by the banks and the investment bankers throughout the country, who are responsible for the financing of the Canadian pulp and paper industry. To the Canadian investing public, seeing the Canadian pulp and paper industry as it did, through rose-colored glasses, this condition was not foreseen, as it should have been.

May Need $20,000,000

Let it be stated baldly that the Canadian pulp and paper industry during the next year will probably have to borrow in the neighborhood of $20,000,000. For instance, the Spanish River Company has just successfully borrowed $3,000,000 from the Canadian investing public to replenish their working capital position in part for over $7,000,000 of money spent upon their properties in the last few years, which expenditure has re-

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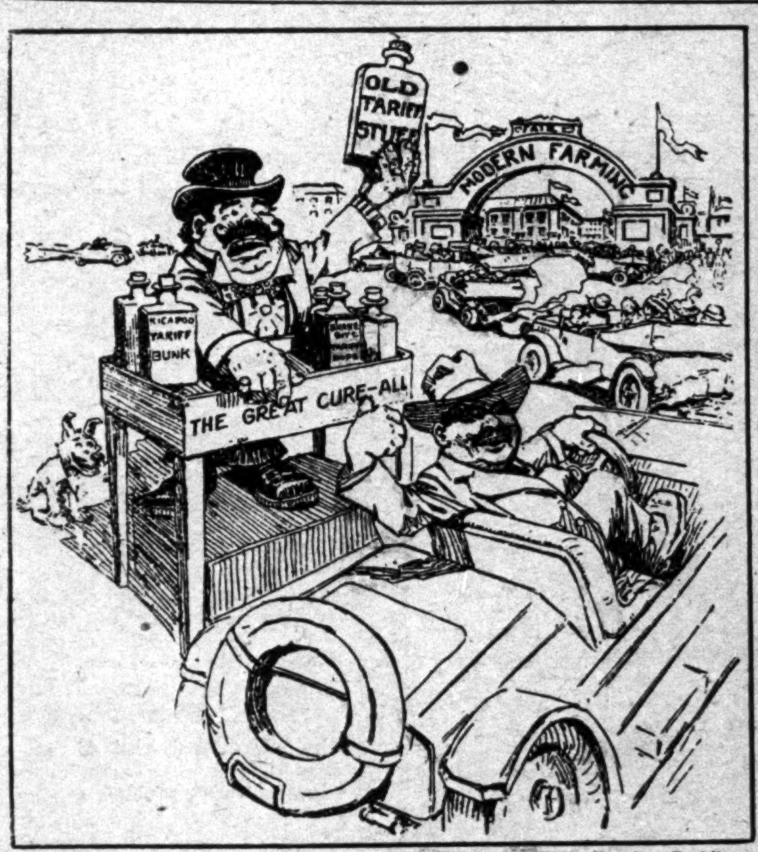

Adapted from "N.Y. Evening Post."

HE DOESN'T GET THE ATTENTION HE USED TO.

Taxation Less Vexation

BROADLY speaking, the principles of concerted public opinion are always correct. They express the basic need of the nation and demand action by the country's administrators. Canadian business men are united in their realization of the injustice and destructive action of our present system of taxation; one proposal in its place is the gross sales or turnover tax. As the date of the tabling of the 1921 Budget approaches, official Ottawa becomes more reticent and Sir Henry Drayton frankly admits his desire to hear the opinions of the taxpayers.

He is doubtful if any financial problem is more confusing than the present multiplicity of our interlocking and overlapping systems of raising government revenue. That revenue must be raised. That all classes must bear their fair share of the load, is agreed, but that the system of collection and application must be more equitable than in the past has become an insistent cry.

The four basic principles of taxation, as laid down by Adam Smith, need no repetition. They do, however, merit consideration at this time, as a means of analyzing the proposed extension of the present Sales Tax into a generally applied turnover tax. Briefly stated these four principles are:—

1. The burden must be distributed in proportion to individual ability to pay; or according to national benefits received.
2. The tax must be certain and not arbitrary; the time, manner, and quantity of payment must be clear alike to the payee and all others.
3. All should be levied proportionately and in the time and manner most convenient.
4. The tax should be collected cheaply.

It may be well questioned if any of our existing taxes comply with these fundamentals, though on the other hand it is interesting to observe that of the twelve classes of taxation described by Adam Smith, eleven offended one or more of his maxims. Clearly, therefore, the problem becomes one of selecting the lesser of a number of evils.

That some definite action of the Finance Department may be expected at the present session seems fully in order, judging from the following opinion from Sir Henry Drayton's budget speech in May, 1920:—

> "Much undoubtedly may be said against the Business Profits War Tax. Under normal conditions it would indeed be hard to find an argument that would justify its continuance. It may possibly be that with another year some measure of deflation and retrenchment will have occurred; that there will be some decrease in the inflated prices of commodities, and that no Business Profits Tax ought to be employed."

An examination of the statement of revenue and expenditure on account of Consolidated Fund as of January 31, 1921, issued by the Department of Finance, clearly indicates, what every business man expected, the fallacy of the Business Profits Tax. The total for the month of January, 1920, was $5,746,256, while January, 1921, totaled only $3,985,518, a clear loss of over one and three-quarter millions. Yet right here, to the credit of Canadian industry, it should be noted that this loss in revenue is much smaller, comparatively, than has been experienced in England. Correspondingly it reflects the better health of Canadian industry. Similarly the fact that this tax produced nearly $4,000,000 in January might be argued as a reason for its retention. The idea is unsound in principle. No tax, however remunerative, is justifiable when its application is obviously discriminatory and when it not only bears unevenly upon one class of people, but throttles commerce and places a premium on creative enterprise.

The present sales tax is the nucleus about which can be developed the larger application of the Turnover Tax. It has stood the test of over three years' application, and out of that experience the finance department may be reasonably expected to evolve a system that will be free, in so far as is humanly possible, from the ills of the present system.

The plan proposes the abolition of the Business Profits, the Luxury, the manufacturers, and some minor taxes. It would require that every one expecting to buy or sell anything should take out a yearly license, at a cost say, of one dollar, and thereby appear on the books of the district tax collector. It is then merely necessary for the licensee to total his gross sales for the month, or any agreed tax period, and figure the amount of his tax at the previously determined percentage.

In considering the first of the above principles, the equity of "distribution" is submitted. Those persons, or companies, using the largest monetary value of commodities or services, would bear the largest tax. The question of collection, however, is open to criticism. It is urged that the inspection and supervision of this tax, over the multitude of retail stores, would be a task costing more than the returns would justify. At the same time it can hardly be disputed that the cost could not exceed the expense of following up the greater auditing detail and complexity of the present systems. Yet even were this so, the imposition of a larger tax at the source of manufacture or origin, while withholding the tax on retail sales, would eliminate their objection and at the same time have the effect of making the tax less apparent and more indirect though none the less equally distributed.

PAPER SECURITIES LEAD IN A BROAD MARKET REACTION

Acute Weakness Follows Price Reductions in Newsprint

UNCERTAIN OUTLOOK

General Market List is Reactionary in Tone—Several Adverse Influences at Work

The pulp and paper securities were leaders in a market reaction of broad proportions this week. Acute weakness in the papers followed the announcement of price reduction in newsprint as affecting several companies, and this movement is regarded in some circles as preliminary to further action of similar nature at a later date. It now appears that the paper companies, which have apparently successfully withstood the adverse influence of the depression in the business world for a number of months, are succumbing at last, and general nervousness on account of these securities has developed.

Practically the entire market list was reactionary in tone. The tractions which displayed outstanding strength a week ago were less conspicuous. The price appreciation in these securities has been temporarily checked, and minor reaction has even developed. The industrial list displayed an uncertain tone, with the trend mainly downward, however.

There were a number of factors at work this week tending to repress the enthusiasm of market supporters. The financial statements of several industrials published within the past few days indicated that the results from the last year's operations were not as satisfactory as could be hoped for. There were displayed the adverse conditions under which industry was required to operate in the high cost of all materials entering into production, together with the high cost of labor. The unfavorable developments in business at the close of the year bore with special severity upon a number of companies. The outlook in the business world at the

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THE POST

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FOUNDERS IN CANADA

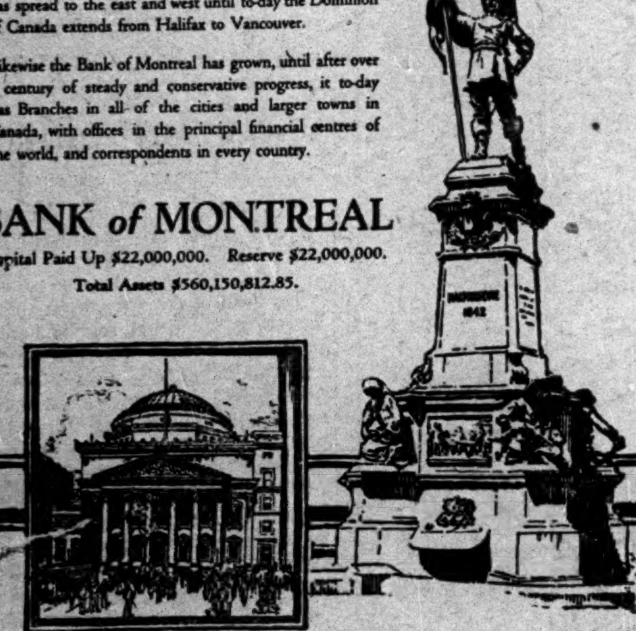
ON Place d'Armes in the City of Montreal stands a monument to Sieur de Maisonneuve who, landing near this spot in the year 1642, founded the settlement which is now the City of Montreal.

Facing Place d'Armes stands the Bank of Montreal, which opened its doors for business a short distance from the same spot over one hundred and three years ago.

From the Settlement founded by Maisonneuve, civilization has spread to the east and west until to-day the Dominion of Canada extends from Halifax to Vancouver.

Likewise the Bank of Montreal has grown, until after over a century of steady and conservative progress, it to-day has Branches in all of the cities and larger towns in Canada, with offices in the principal financial centres of the world, and correspondents in every country.

BANK of MONTREAL
Capital Paid Up $22,000,000. Reserve $22,000,000.
Total Assets $560,150,812.85.



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Reserve Fund ...$ 9,475,585 Total Assets (Oct. 30, 1920), over $209,000,000

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General Manager: D. C. MACAROW.
Supt. of Branches and Chief Inspector: T. E. MERRETT.
General Supervisor: W. A. MELDRUM.

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UNION BANK OF CANADA

Dividend No. 136

Notice is hereby given that a dividend at the rate of 10% per annum upon the Paid-up Capital Stock of the Union Bank of Canada has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Tuesday, the First day of March, 1921, to shareholders of record at the close of business on the 12th day of February next.

The Transfer Books will be closed from the 14th to the 28th day of February, both days inclusive.

By Order of the Board.

H. B. SHAW,
Winnipeg, Jan. 21st, 1921. General Manager.

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FIND THE SHORTER WORK DAY MEANS LESS PRODUCTION

Practical Tests With a Work Week of 48 Hours or Less

OTHER REAL FACTORS

In Some Industries Automatics Determine the Rate of Production of the Factory Output

An important statement has just been released by the National Industrial Conference Board, New York, regarding the effect of the shorter work-day on production. Anything given out by this organization can be accepted in a spirit of fairness by either employer or employee, as their object is at all times to have facts available for the better understanding of any situation. The report states:

An extensive investigation of practical experience of manufacturers who, since the beginning of 1919, have reduced their weekly working schedule to 48 hours or less has shown that in a great majority of cases the reduction of hours was accompanied by a decrease in weekly output per worker, according to a report issued to-day by the National Industrial Conference Board.

Took in 436 Plants

This investigation, which is of timely interest because of the importance of the hours-of-work problem arising out of present industrial conditions, covered the collective experience of 436 manufacturing establishments employing together 373,536 workers, including establishments in the cotton, wool, silk, boot and shoe, metal, and a group of miscellaneous manufacturing industries, and ranging in size from very small plants employing only a few workers to extremely large ones with many thousands of employees. Most of the plants in the textile and boot and shoe industries were located in the East, but those in the metal and miscellaneous industries represent practically all the large manufacturing centers in the country.

In 87.2 per cent. of the establishments studied a reduction to a work week of 48 hours or less was accompanied by a decrease in weekly output per worker. In 8.7 per cent. of the plants the workers were able to maintain weekly production per worker, and in a very few cases (4.1 per cent.) weekly output per worker was increased.

In somewhat more than two-fifths of the establishments which noted a falling off in weekly production, the decrease was approximately in proportion to the reduction in hours. In about one-fifth of the establishments showing reduced weekly production, the loss in weekly output was less than proportional to the reduction in hours, and in approximately a sixth of the establishments which decreased weekly production, the decrease was greater than proportional to the reduction in hours.

It was found, the report says, that the character of the work, that is, whether the process was largely hand-work or machine work, for the most part determined whether or not it was possible to increase hourly output. In those industries, such as cotton manufacturing, where highly automatic machine processes predominated, the output was limited almost entirely by the speed of the machine. In those industries, however, where hand-work predominated, or where the skill and speed of the worker in handling machines were the controlling factors—such as in the boot and shoe industry, or in certain kinds of metal manufacturing—it was possible to increase the hourly output of the workers, in some cases to the extent of entirely compensating for the loss in work time and even exceeding the previous weekly production.

Other Factors in Production

Other factors which were found in the investigation to largely affect production under the reduced working schedule were the general attitude and characteristics of the working force, the supply of skilled labor, regularity in attendance, changes in the personnel of the management or the introduction of improved methods of management or the installation of different or improved machines, all of which accounted in some instances in output.

As a rule it was not found that increases in wage rates had any effect upon the efficiency of workers, but in almost every case where a change in output was noted the piece-workers were more successful in maintaining output than were day workers, and a bonus system in some cases proved an incentive to increased production. It was not found in this investigation that the size of the establishment in itself had any apparent relation to the abilty of a plant to maintain output.

With regard to experience in various industries it was found that in cotton manufacturing all the establishments investigated experienced a decrease in weekly output under the reduced hours. In wool manufacturing only one establishment out of 60 was able to maintain weekly output, and in silk manufacturing only one out of the 23 plants studied. In boot and shoe manufacturing, out of the 88 plants covered, it was found that three were able to increase weekly output and 13 to maintain it, while in the metal manufacturing industries, out of 117 plants investigated, nine reported that their weekly output had been increased and 16 that they had been able to maintain weekly production.

SMALL EARNINGS OF U. S. RAILWAYS

Only One Year in Thirteen When Profits Reached 6 P.C. on Investment

Railways of the United States in 1920 earned a return of 0.78 per cent. on a property investment of $19,272,911,023, according to estimates of the Bureau of Railway Economics. Operating income after deduction of taxes and uncollectable revenues was approximately $150,000,000. This compares with $509,601,118, or a return of 2.64 per cent. for 1919.

In the last thirteen years the year ended December 31, 1916, was the only one in which the carriers earned as much as a 6 per cent. return on their investment. In that year railway operating income totaled $1,100,545,422, equivalent to 6.17 per cent. return on property investment aggregating $17,842,776,668. The next best return of that period was 5.68 per cent. earned in 1910.

CANADA BIG BUYER UNITED STATES COAL

Imports of 1920 Double in Value Those of Previous Year

Coal exports from the United States in 1920 were $432,000,000 in value against $169,000,000 in 1919 and $92,000,000 in the year before the war, the calendar year 1913. These figures, says a statement by the National City Bank of New York, include the anthracite and bituminous coal exported to all parts of the world plus the bunker coal supplied at our own ports to vessels engaged in the foreign trade. The value of bituminous coal sent to foreign countries in 1920 was $304,000,000 against $84,000,000 in the calendar year 1919, and $45,000,000 in the year preceding the war. Anthracite exports were valued in 1920 at $46,000,000, against $37,000,000 last year, and $22,000,000 in the year before the war; and bunker coal supplied to vessels engaged in foreign trade in 1920 was valued at $82,000,000 against $48,000,000 in 1919, and $25,000,000 in 1913.

These big increases in quantity exported in 1920 as compared with 1919 occurred especially in the shipment to Europe and South America. To France the exports of 1920 were 3,646,000 tons, valued at $42,415,000 against less than $1,000,000 worth in 1918, and $3,000,000 worth in 1919. To Italy the total for 1920 was 2,387,000 tons, valued at $21,000,000 against 1,633,000 tons, valued at $9,989,000 in 1919, while there were equally large gains in the shipment to Netherlands, Sweden, and Switzerland. To Cuba, which is a large purchaser of American coal, the quantity shows an increase of about 33 per cent. while the value more than doubled; to Argentina the quantity exported was 1,718,000 tons, valued at $20,157,000 against 483,000 tons, valued at $2,931,000 last year; and to Brazil in 1920, 965,000 tons, valued at $10,982,000, against 644,000 tons, valued at $3,801,000 in 1919. To Canada, always a large purchaser of our coal, the quantity exported in 1920 was 14,483,000 tons, valued at $86,904,000, against 10,670,000 tons, valued at $40,004,000 in 1919.

GRAIN IN STORE

Wheat and Flax Decrease in Volume—Large Quantity on Hand

The following table comparing the total quantity of grain in store for the week ending February 4 with the returns for corresponding weeks of previous years shows a large increase:

	Wheat. Bushels.	Other grains. Bushels.	Total. Bushels.
1921	38,995,205	32,499,274	71,494,479
1920	13,097,180	9,313,597	22,410,777
1919	46,174,258	12,294,445	58,468,703
1918	16,175,822	12,739,869	28,915,691
1917	32,173,621	24,262,831	56,436,452
1916	32,956,716	16,546,703	49,503,419

MARITIME PORTS FIND CONDITIONS QUIET THIS YEAR

Overseas Traffic in Grain Has Been Light This Winter

DIVERTED TO THE U.S.?

Feeling in East That American Ports Are Being Used for Export of Large Portion of Canada's Grain

By Resident Representative.

ST. JOHN.—The shipping season so far this winter has been quiet. The liner companies which carry on their services in bad times as well as good have generally adhered to their schedules, though full cargoes have not been the rule. The Elder Dempster Company has suspended, temporarily it is hoped, its new service to the West Coast of Africa, and there has been a falling off of the number of tramp steamers which for some years past have crowded the port at this time of the year. Usually the tramps load grain and deals for Europe, but the overseas traffic from the winter port in these lines has been light so far.

Some disappointment is felt here at the failure of the grain movement through this port to meet expectations. According to Ottawa reports, about 80 per cent. of the grain from Western Canada passing through the "Soo" canal was diverted across the border. How much has been shipped overseas via American ports is not known, but there are reports that Boston has been handling considerable Canadian grain. In view of the big railway burden the country has assumed in order that the West might have better railway facilities than sound business considerations warrant, the Maritimes feel that the grain growers might interest themselves in the routing of Canadian grain through Canadian channels instead of via Buffalo. If more grain passed through St. John and Halifax, the deficit on the National Railway system might be somewhat reduced.

The Merchant Marine

The Canadian Government Merchant Marine has brought some new business to the winter port, and its new services to the West and the East Indies are expected to prove of considerable importance. It is recognized that the service to the East Indies via the Suez Canal is in the nature of an experiment, but it is being carried out in co-operation with powerful British companies, and if there is anything in the Imperial idea fair cargoes ought to be developed both ways. India to-day is in process of being industrialized, and is bound to offer a market for machinery of increasing importance. Canada purchases a variety of commodities from the east that may very well be carried in Canadian bottoms, and the Government ships should be able to pick up cargo to and from Egypt and other countries on the Mediterranean. Canada now takes some Egyptian cotton, but it mostly comes through the port of Boston. It is worth noting that Boston last year imported 250,000 bales of Egyptian cotton, which is nearly fifty thousand more bales than were landed last year in the great cotton port of Liverpool, England.

Doing Fairly Well

In view of the fact that hundreds of American ships are idle, and many British ships also laid up in their home ports, the shipping companies trading to Canada appear to be doing reasonably well. The past year has been an unsatisfactory one generally speaking for shipping. A year ago the time charter rate (per d. w. ton per month) was £1 10s. 0d.; at present the rate is down to 10s. 0d.

The effect of the slump in ocean freight rates may be judged from the fact that Cunard shares quoted at £3 17s. 6d. a year ago were selling at £1 0s. 6d. at the beginning of this year. During the same period Furness Withy shares dropped from £3 6s. 10d. to £1 3s. 0d.; P. & B. shares from £663 to £370, and Royal Mail from £228 to £100.

PIG IRON LOWER

Reports From Pittsburg Indicate Lower Quotations

Reports from Pittsburgh say that there have recently been several offers of basic iron in quantities of from one to five thousand tons, at a new low price of $26 a ton, furnace. This compares with previous quotations of $28 a ton.

The reports indicate that certain producers would be willing to reduce the price still further to $25 a ton provided the business under consideration was sufficiently attractive.

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In Tasmania 3
And in NEW ZEALAND. 44

Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

Incorporated 1855
Capital & Reserve $9,000,000
Over 130 Branches

THE MOLSONS BANK

In the present re-adjustment of business conditions through which we are now passing, a confidential discussion of your financial problems with the Manager of The Molsons Bank may help you materially.

EDWARD C. PRATT
General Manager

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

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Dealers in Government, Municipal and School Bonds.
We Specialize in Western Bond Issues
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The Passing of "The Gentlemen Adventurers"

IN the early days, Canada's resources fell to companies of "Gentlemen Adventurers," who received fat monopolies by Royal favor.

They snatched rich prizes from the new land, but cared nothing for the development that creates still greater wealth.

To-day, far different companies of men and women are forging out of material ignored by the Gentlemen Adventurers a nation of manifold and productive activity.

The combined capital of thrifty and far-seeing citizens, put to productive uses, is building a greater Canada and bringing to each his reward.

A postcard will bring you our list of recommended industrial securities through which YOU can share profitably in this sound national development.

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Economise without Sacrifice of Efficiency
Mark your messages to the United Kingdom
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and reduce your cable bill
RUSH RATE—18c. per word
File at any Marconi, C.P.R. or C.N.T. (G.N.W.) Telegraph Office.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727

Paid-up Capital	£ 2,000,000
Rest and Undivided Profits	1,082,276
Deposits	39,114,127

Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.
London Office—3, Bishopsgate, E.C. 2.
Wm. Wallace, Manager.
Glasgow Office—Royal Exchange Square and Buchanan Street.
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BOND DEALER
UNION BANK BUILDING
56 ST. PETER ST.
QUEBEC

BECK'S SCHEMES BEING REGARDED WITH SUSPICION

Labor Men of London Demand Investigation of L. & P. S.

OPPOSE ELECTRICITY

Farmers of Huron and Bruce Object to $4,000,000 Project in View of Knowledge of Actual Conditions

By Resident Representative.

LONDON.—Some decidedly interesting information which shows that the hard-headed farmers of the Counties of Huron and Bruce have no intention of being stampeded into expending $4,000,000 in electrifying the London, Huron and Bruce Railway has been received by Prof. Louis Wood, of the Western University. Frank Welch, secretary of the Farmers' Club at Varna, makes a vigorous attack on the proposition, showing that it would not pay and giving real figures to prove his arguments and to show to what extent the Township of Stanley, in which he lives, is being depopulated.

Mr. Welch resides on the 5th concession and his farm is in a block of 2,000 acres. He states that 25 years ago 1,400 acres of this land was under tillage, with 600 acres in grass. At the present time 900 acres are being tilled, while there are 1,100 acres of grass land. Twenty-five years ago, he says, there were 25 able bodied men on that land supporting 77 persons. To-day there are twelve men, two of whom are really boys, supporting only 37 persons.

From these and other facts in his possession, he declares, that in no possible way could sufficient freight be obtained to make the L., H. & B. Railway, if electrified, pay its way between Brucefield and Kippen.

What Must Be Done

"What must be done to get the freight," he says, "is to populate the farms. The farmers need hydro for light and conveniences so as to remove the drudgery from our women's lives. Then our young men and women will not turn cityward. Then our idle lands will be reclaimed and Ontario will prosper."

If the matter were put to a vote at the present time Mr. Welch does not think the electrification proposal would have the slightest chance of carrying in his township.

"The electors of Stanley Township," he says, "would be very much against it as they are opposed to hydro radials."

Further evidence of the attitude of the farmers in connection with this project is seen in a resolution passed at a meeting of the Farmers' Club at Glenannan in Turnberry Township, not far from Wingham. The proposal to electrify the L., H. & B. Railway was discussed at some length, with the result that a resolution was unanimously passed placing the club on record as entirely opposed to the scheme.

Outsiders Are Wise

These and other events make it apparent that people outside of London are wise to what is happening in connection with Sir Adam Beck's pet project, the London and Port Stanley Railway. An interesting development this week in connection with the L. & P. S. line was a resolution passed at a meeting of the Independent Labor party, calling on the city council to immediately commence an investigation into the finances of the city's railway. The resolution passed unanimously.

People Suspicious

It might be remarked that the I.L.P. is composed practically of workingmen. Many of the workers of the city a few years ago were urged by Sir Adam Beck to vote for the electrification of the London and Port Stanley, and glowing pictures were painted of the wonders that would result. Many of these men listened to Sir Adam and by voting as they did have mortgaged their homes to carry out the project. Now they are suspicious, in fact they are more than suspicious. Not a few of them think they are being hoodwinked in some way.

"What bothers us," said one member who attended the meeting at which the resolution was passed, "is that we are told repeatedly that the road is making big profits. If it is making so much money why do they keep coming back every little while and demanding more? Why don't they show us the real figures? I am in pretty close touch with many of the workingmen of the city and there is a general feeling that there is something wrong and that something is being kept back. We are asking for an investigation into the finances of the railway. If there is something wrong we want to know it. If there is nothing wrong it will clear the air and restore the confidence of people."

TARIFF MIGHT HELP EASTERN FISHERIES

Would Perhaps Mean Development of Better Market Facilities in Canada

By Resident Representative.

ST. JOHN.—The efforts of the New England fishing interests to induce the United States Government to impose a prohibitive duty on fish does not worry Lewis Connors, of Connors Bros., Black's Harbor, who are the leading sardine packers of Canada, and are also interested in other branches of the fisheries.

"If the United States imposed a heavy duty on fish, it would probably be a good thing for the Canadian fishing industry—at least some branches of it.

"Fish taken in Canadian waters are shipped to Boston, Gloucester and Portland, and then forwarded to Toronto, Montreal and other Canadian centres. If the Americans place a duty on our fish then the Maritime ports will give more attention to the development of facilities for placing their fish on the markets of Canadian cities.

"Another thing: In putting up sardines we now rely on the United States for oils. And most of the oil comes from cotton seeds or beans—only an expert can detect the difference. If we had plants for extracting oil from beans we would not be dependent on the United States."

FOX FARMING A PRECARIOUS FIELD

Tuplin Silver Black Fox Corporation Makes Disappointing Showing

By Resident Representative.

HALIFAX.—Some of the fox companies of the Maritime Provinces are paying small dividends earned on the pelt basis, not on the old system of pyramiding values of live animals at fancy prices. One of the companies that is not making money is the Tuplin Silver Black Fox Corporation of this city and whose shareholders are called for the annual meeting to be held on February 28th. The statement of the directors for the past year follows:

On the 1st January, 1920, we had in the ranch 24 foxes and 7 pelts. From these we reared 13 pups. In December, 1920, we killed 4 for pelts. During the year 4 died, and their pelts were of no value. We now have 29 foxes in the ranch and 4 pelts. The seven pelts of the 1920 stock yielded us $2,850, an average of over $400 each. The expenses during the twelve months amounted to $1,971, which does not include interest on our bonds, and we were able to pay off all our outstanding obligations except the bond interest. A tentative offer of $800.00 per pair for 2 or 3 pairs of our foxes has been received, and in view of the fact that we have only 4 pelts this year, and fur prices are very low, it might be considered advisable by the shareholders to accept this offer in order to provide funds for the current year's expenses.

The profit and loss statement shows revenue of $2,850 from foxes, with expenses of $1,971. Bond interest accrued amounted to $5,136. The balance sheet shows assets of $410,018, of which $385,570 represents the value of the foxes at the original cost. Liabilities include $85,600 of bonds and $24,418 in interest accrued thereon in addition to capital stock of $300,000.

TANKS TO FAR NORTH

May Be Used in Transportation to Fort Norman

Exploitation of the newly discovered oil fields near Fort Norman will probably be made possible by operating a transport line of tanks next summer. Board of Trade at Edmonton is negotiating with an English company with headquarters at London to manufacture and operate tanks patterned after the army variety.

Development of the fields presents great difficulties as they are separated from the nearest railway by 1,000 miles of wooded and well-watered country through which there are no roads.

The English company offers to move freight across any ground an army tank could cross, such as swamps, ice, snow and forests of trees not more than 18 inches in diameter three feet from the ground. Though they cannot compete with motor trucks on good roads, the tanks make 15 miles an hour and are said to be cheaper to operate than agricultural caterpillars adapted to hauling.

NEW U. S. SILVER DOLLARS

Operations have started at the United States Mint in Philadelphia to renew the coinage of silver dollars, the first that have been put into circulation since 1905, a period of sixteen years.

U.S. Senate Agriculture Committee has favorably reported a bill authorizing the Secretary of the Treasury to purchase $100,000,000 of farm loan bonds during 1921 and 1922 to provide available funds for loans to farmers.

BIG INCREASE IN VALUE OF B.C.'S FOREST OUTPUT

Lumber Production Nearly $16,000,000 Greater for Year

ACTIVITY IN PULP

Paper Industry Indicated an Increase of More Than $9,000,000 in Value of Market Products

By Resident Representative.

VICTORIA.—Forest products of British Columbia manufactured during 1920 were valued at $92,628,807, as compared with $70,285,094 in 1919, according to figures released by Hon. T. D. Pattullo, Minister of Lands, last year's total is virtually twice the value of production in the province three years ago. The value of the lumber output advanced by nearly $16,000,000 over 1919, while the advance in the value of pulp and paper amounted to more than $9,000,000. The pulp and paper industry shows another increase both in volume and value, compared with the previous year, and inquiries recently received indicate that important developments are likely to take place within the next few months.

The pulp and paper output figures are as follows:

Pulp	1919. Tons.	1920. Tons.
Sulphite	80,047	92,229
Sulphate	9,473	16,380
Ground wood paper	99,769	108,665
Newsprint	123,607	136,832
Wrapping	7,202	38,886

The value of lumber production is estimated as follows:

	1919.	1920.
Lumber	$31,000,000	$46,952,500
Pulp and paper	12,554,257	21,611,681
Shingles	12,801,564	12,081,476
Boxes	2,142,000	2,650,000
Piles and poles	769,962	916,089
Railway ties	2,091,346	2,250,682
Laths	195,594	847,920

Logs exported from the province were not valued so highly in 1920 as in 1919. The value was reduced from $991,365 in 1919 to $615,732 last year.

In 1917 British Columbia's forest output was valued at $48,300,469; in 1918, $54,162,523; in 1919, $70,285,094, and in 1920, $92,628,807, showing a steady growth during the post-war years and a distinct jump upward in 1920. Last year all of the ground wood, 38,886 tons of sulphite and 7,450 tons of sulphate pulp was manufactured into paper within the province.

Lumber reached its peak in value in February, 1920. It was one of the last commodities to start the trend upwards due to war conditions and one of the first to revert back toward normal levels. During the latter part of the year the industry suffered depression as a result of the shutting off of the Australian and Oriental markets, due to financial conditions prevailing in those countries. Increase in railroad rates, coupled with a general disinclination to buy, interfered with domestic sales and trade with the Canadian prairies and Eastern Canadian and United States territory.

Water-borne shipments of manufactured lumber from British Columbia in 1920 show an increase of approximately 27,000,000 feet over the record shipments of 1919. The largest gain was in shipments to Australia, where over 32,000,000 feet of lumber was sent, as against about 8,000,000 the previous year. Total exports last year amounted to 125,413,930 feet board measure, as compared with 108,872,266 feet during 1919. South America took more than 5,000,000 feet last year, against 1,500,000 feet in 1919. China took 17,000,000 feet each year, and India took 5,385,000 feet. The big increase to Japan, South Africa, Mexico, Cuba and New Zealand more than offsets the decrease from 65,400,000 feet in 1919 to 50,700,000 feet last year in the exports to the United Kingdom and continental Europe.

AUTOMOBILE PROFITS

Results of General Motors Corporation in 1920

Net income of General Motors Corporation for the year ended December 31, 1920, was $93,500,000 from which there has been deducted $45,248,000 to cover various items, including Federal taxes, inventories, writeoffs, depreciation of plants, etc., which made net profits after all charges approximately $48,252,000. After preferred and debenture dividends of $6,113,800 the balance available for the common stock was approximately $42,138,200 or $2.05 a share on the 20,552,685 shares of no par value common stock outstanding at the close of the year. This compares with 1919 net profits after all charges of $60,005,484 which after preferred and debenture dividends was equal to $36.36 a share on $1,534,100 shares of $100 par value common stock then outstanding.

THE ROYAL BANK OF CANADA

Statement to the Dominion Government (Condensed)
January 31, 1921

Head Office MONTREAL

LIABILITIES	
Capital Paid Up	$ 20,214,700.00
Reserve Fund	20,174,395.00
Undivided Profits	546,928.20
Notes in Circulation	36,257,734.74
Deposits	435,203,450.74
Due to other Banks	11,856,786.09
Bills Payable (Acceptances by London Branch)	4,667,629.23
Aceptances under Letters of Credit	17,454,357.82
	$546,376,061.82
ASSETS	
Cash on Hand and in Banks	$130,812,609.59
Deposit in the Central Gold Reserves	17,000,000.00
Government and Municipal Securities	33,415,545.50
Railway and other Bonds, Debentures and Stocks	14,599,699.83
Call Loans in Canada	13,401,798.07
Call Loans elsewhere than in Canada	38,497,198.66
	$247,726,851.65
Loans and Discounts	$269,679,549.01
Liabilities of Customers under Letters of Credit as per contra	17,454,357.82
Bank Premises	9,680,358.31
Real Estate other than Bank Premises	932,654.12
Mortgages on Real Estate sold by the Bank	42,290.91
Deposit with Dominion Government for Security of Note Circulation	860,000.00
	$54,376,061.32

725 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA. Also LONDON, NEW YORK and BARCELONA.
Paris Auxiliary—THE ROYAL BANK OF CANADA (France)

THE HOME BANK OF CANADA

Branches and Connections throughout Canada

PURPOSE OF BANKING
Every dollar deposited with the bank is a dollar applied towards financing home industries or business enterprise. It is at once thrift and expert finance to maintain a Savings Account.

ELEVEN OFFICES IN TORONTO (S-10)

The Bank of Nova Scotia
Established 1832

Capital	$ 9,700,000
Reserve Fund	18,000,000
Total Assets	230,000,000

GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
London, England, Branch
55 Old Broad Street, E.C. 2.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.
Correspondence Solicited.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE, - WEYBURN, SASK.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

Perpetual Executor Service

As your executor, the Chartered Trust and Executor Company will render to your estate a perpetual, efficient and responsible service at a cost fixed by law.

Such service automatically protects your dependents from loss and worry, and conserves your estate.

Chartered Trust and Executor Company
46 King Street West, Toronto
HON. W. A. CHARLTON, M.P., *President* — W. S. MORDEN, K.C., *Vice-President and Estates Manager*
JOHN J. GIBSON, *Managing Director*

NIAGARA FIRE INSURANCE COMPANY
Incorporated 1850 — Head Office: NEW YORK
Cash Capital: $1,000,000.00
Total Assets Dec. 31st, 1919: $11,817,340.03
Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents - - - Murphy, Love, Hamilton & Bascom

TO INVESTORS

We own and offer the 8% Preferred Stock of the DOMINION STORES, LTD., carrying a liberal bonus of Common Stock. Dividends payable in Canadian or American funds.

Full particulars sent on request.

Campbell, Thompson & Co.
Investment Bankers
Canada Life Building, Toronto

Strongly Protected Industrial Investments

The present moment finds many high-grade, sound industrial securities selling at levels much lower than their book values and returning very high interest yields. These conditions are only temporary and investors will see these issues gradually work to much higher levels.

We have several attractive preferred stock issues, backed by established earnings, and in some cases carrying attractive bonuses of Common Stock.

May we send you particulars?

RICHARDSON, SHEPPARD & THORBURN
LIMITED
INVESTMENT SECURITIES

Royal Bank Bldg. - Toronto

Opportunities Overlooked

With so many new issues being offered—investors are liable to overlook bonds of long standing.

Some of these older issues can be bought to return a larger income—up to 7%—and are readily saleable.

A list of these bonds will be sent on request.

F. H. Deacon & Co.
Members Toronto Stock Exchange
Investments
97 Bay Street - Toronto
F. H. Deacon J. C. Fraser
13

About the first of this year we drew the attention of investors to the following securities:

Nova Scotia Steel
Studebaker
Canadian Pacific
Chile Copper
Dome Mines
Toronto Railway
Steel of Canada

While all the above have since recorded substantial advances, we believe that even the present price will appear low a few months hence.

Stobie, Forlong & Co.
Members Toronto Stock Exchange
12 King Street East
TORONTO
HAMILTON BRANTFORD

TRADE WITH ITALY

Canada's trade with Italy for the twelve months ending last November shows an enormous increase over the year 1914. Last year's trade with this country alone was estimated at $45,000,000. In 1914 it was only $500,000. These figures were issued at Ottawa by Wendell McL. Clarke, Dominion Trade Commissioner to the Mediterranean countries.

SHAREHOLDERS OF "STEAMERS" RESENT DIVIDEND ACTION

Passing of Dividend on Common May Not Pass Without Protest

STRONG POSITION

Consider Organization of Shareholders' Committee—Insist Upon Full Explanation—Position of Subsidiaries

By Resident Representative.

MONTREAL.—The passing of the dividend on the common stock of Canada Steamship Lines created resentment among a large circle of shareholders—rather than surprise. The "ticker" had discounted this action with that almost ghostly instinct it frequently displays. This, in spite of the fact that it was only on Saturday last that an S.O.S. cable left Montreal for London: the call was picked up, but the response was not favorable towards the providing of funds, and late on Monday, after a protracted session, the directors decided to pass the dividend with the explanation that

"No action was taken in respect to the dividend on the ordinary shares of the company, and while the earnings for the year have been excellent, the directors pursuing a conservative policy, have decided to conserve the resources of the company and to await developments on certain financial proposals now under consideration to capitalize the greatly increased assets of the company, which when consummated will, in the opinion of the directors, be greatly to the interest of the company."

Considering Shareholders' Committee

This action may not be allowed to pass without a protest, and already the FINANCIAL POST learns, several large holders of stock have been taking legal advice as to the organization of a shareholders' committee that would insist upon a full explanation as to why the dividend could not be paid. Action is difficult, as voting control is vested in the "Trust" for seven years more.

To the average shareholder the lapse of the dividend is entirely contrary to the general view of the company's strong financial position and continued earnings. There have been earnings of over $4,000,000 on an average for the past four years, with a surplus one year ago of $6,764,910. Working capital, on the other hand, was down to $929,000, according to the last annual statement.

Assign Responsibility

The common impression appears to assign the responsibility for the lack of working capital chiefly to the company's connection with two concerns:

The Davie Shipbuilding;

The Montreal Transportation Co.

Of the first C. J. Barnard, K.C., was at one time president; himself also a vice-president for some time of Canada Steamship Lines. Of the latter Roy C. Wolvin was the head; now it is understood a vice-president of Canada Steamship Lines, a recent appointment.

For a time it was thought the $3,000,000 paid for the Transportation Company was fully provided by the sale of Quebec Steamships Co., but this seems not to have been the case.

The connection of the company and the Davie Shipbuilding Company is a matter of deep interest to Steamships shareholders. The current story is that the Davie Shipbuilding Co. was to supply boilers and other machinery to the Tidewater Shipbuilding Co., generally regarded as a subsidiary of Steamships, and that the Davie Company got pretty far in debt to Steamships and that the latter finally assumed its liabilities in order to keep it going. How far these liabilities have become an obligation of Steamships is not known publicly, but a sum in the neighborhood of $2,000,000 is mentioned.

It is understood that the company found itself with the following payments to meet in case the common dividend were declared:

Bond interest	$150,000
Preferred dividends	210,000
Common dividends	218,750
Total	$578,750

The financing mentioned in the directors' statement is considered certain to take the form of a general mortgage bond. At present J. W. Norcross, the president, is absent in England.

BULLION MINE DEAL

The interests of the Bullion Mining Company in the Cariboo District, B.C., are reported to have been optioned to a syndicate of New York and Kansas City financiers. R. T. Ward, manager for the company, states that $20,000 already has been paid down on the deal.

LIBERTY TIRE OF CANADA

Makes Offering of Preferred Stock—To Operate in Montreal

By Resident Representative.

MONTREAL.—The Liberty Tire and Rubber Company of Canada has been organized to manufacture and sell puncture proof inner automobile tubes, and will start production at a rate of 300 per day. The company is offering $250,000 8 per cent. participating cumulative preferred stock at par, with a bonus of 25 per cent. of common. Joseph O. Gourre is president and there are representatives of the Liberty Tire and Rubber Co. of the United States on the board.

NEW ISSUE FOR HOWARD SMITH

Million Dollar Bond Flotation To Cover Financing of New Plant

By Resident Representative.

MONTREAL. — Howard Smith Paper Mills, Limited, is making an issue of $1,000,000 twenty-five year first refunding mortgage sinking fund gold bonds bearing 7 per cent. interest. It is understood that Aldred & Co. have underwritten this issue, and that a public offering will be made shortly. The main purpose of this issue is not only to cover a balance owing for extensions on the sulphite pulp mill at Cornwall, but in the main to provide working capital sufficient to cover the requirements of the extensions that have been made to the fine paper mills at Beauharnois and at Crabtree Mills and the varied production, including book paper at Cornwall, in the mill belonging formerly to the Toronto Paper Mfg. Company. With the completion of the present financing it is understood the working capital of the company will exceed $2,600,000, as compared with an entire bond issue at that time of $2,489,800.

As a matter of fact the new bond issue will take the place of the $700,000 of treasury bonds of the old Howard Smith Paper Mills, which, for technical reasons, cannot now be issued. In connection with the new issue a by-law has been framed creating an issue of $7,000,000 in all, of which there is presently authorized to be issued $3,500,000. Of this $1,000,000 will be issued at once and has been underwritten, and the balance will be divided into three parts as follows:

Held in escrow to retire the total outstanding 6% first mortgage bonds	$1,489,800
Held in escrow against balance to become due on timber limits	500,000
To remain in the treasury	510,200
Total	$3,500,000
Balance to be issued in accordance with terms of trust deed	3,500,000
	$7,000,000

BIG FALL IN PROFIT OF SHREDDED WHEAT

Earnings Less Operating Expenses Nearly Million Less Than Previous Year

The combined earnings of the Shredded Wheat Company, which includes the Canadian Shredded Wheat Company and the Pacific Coast Shredded Wheat Company, were $1,094,533 for 1920, as compared with $2,005,637 for 1919 and $1,249,981 in 1918. After making allowances for depreciation and reserve for taxes the net income stood at $871,684, compared with $1,378,444 and $926,785 for the two previous years respectively. Dividends took $775,000, as in other years, and the balance was carried forward, making a total surplus of $1,450,762. Following are comparative figures for three years:

	1920.	1919.	1918.
Gross	$1,094,533	$2,005,637	$1,439,828
Deprec	130,162	141,716	78,948
Reserve	92,687	485,471	434,045
Net incme.	$ 871,684	$1,378,449	$ 926,785
Bal. for.	*1,354,078	766,724	614,939
	$2,225,762	$2,145,174	$1,541,724
Divs.	775,000	775,000	775,000
	$1,450,762	$1,370,174	$ 766,724

*Less reserve for depreciation for 1917 per government audit.

The balance sheet shows assets of $13,757,775, compared with $11,691,207 in the previous report. Investments in securities increased about $750,000, accounts, products and materials about $1,150,000, and land, buildings and equipment about $1,350,000. An item of $1,501,000, representing investments in subsidiary companies, has disappeared.

In an advertisement in last week's FINANCIAL POST of the Ontario Equitable Life and Accident Assurance Company, the name of the president and managing director was, owing to a typographical mistake, printed as F. C. Tweed. The name should have been S. C. Tweed.

HEAVY FINANCING FOR CANADIAN PAPER INDUSTRY

Continued from page 1

sulted in increasing the company's output, roughly, 100 per cent.

Companies That Require Funds

The Spanish River financing is only a forerunner of borrowing which the great Canadian pulp and paper industry must do in the next year if it is to take advantage of its extraordinarily favorable situation for exporting its products to the United States. It is understood in financial circles that the Abitibi Company, the Brompton Company, the Riordon Company, Fraser Companies, Howard Smith Paper Mills and many other mills will be in the market for sums of money to recoup in part millions of dollars which have been spent on plants, etc., during the last few years. Even Laurentide is reported to owe its bankers large sums of money, which will probably be repaid out of earnings and which loans were incurred in the logical process of increasing its capacity. Much of this financing has already been provided for and will be eventually provided, in part, by the Canadian investor, who is keen to purchase mortgage bonds of our larger pulp and paper producers, which yield such high coupon rates of interest as 8 per cent., and will, in part, be provided by Canadian banks, who have the utmost confidence in the Canadian lumber and pulp and paper industry and take as much interest in the movement of Canadian pulp and paper exports to the United States as they do in the financing and exporting of the Canadian wheat crop. The necessity of one is the corollary of the other. To export our products one must finance them. Canadians are too sound business men not to see the necessity of this.

Wood Piles Cost More

Not only has the Canadian pulp and paper industry since 1910 expended many millions during which time its exports to the United States have risen from under 100,000 to over 800,000 tons per annum, but a most important factor of which the Canadian public seems to have lost sight is that pulpwood, which at one time cost $6 to $8 per cord, now costs from $12 to $20 per cord. For instance the Spanish River Company uses something like 400,000 cords of pulpwood per annum in its operation, and during the period from December to April of each year must provide for the financing of this pulpwood at current costs which to-day amounts to something like $5,000,000, as against in the neighborhood of $2,000,000 a year ago. This is only one company. Other Canadian lumber and pulp and paper companies are affected accordingly.

Expansions Cost More

Another factor that has forced additional financing is the large increase in the cost of the new additions over the estimates as provided for. Moreover, production invariably is increased during a high-cost period; not, as it should be, during a low-cost period.

The Common Dividends

Last but not least in the eyes of the Canadian investor is the matter of payment of dividends on Canadian pulp and paper shares. The question is asked whether too large dividends have not been paid and in some cases whether common share dividends have not been declared too quickly without providing sufficient reserve against their continuance. Most dividends of the larger pulp and paper companies are not due to be acted upon by the directors of the companies until the end of March, and the first part of April. If the demand for pulp and paper, which has been stagnant, particularly as regards pulp, still continues slack towards March or April, it is possible that some of the companies with slender resources and small financial backing may conserve their cash resources and defer payment of common share dividends. It is the general opinion, however, in Canadian financial and manufacturing circles, that the Canadian lumber and pulp business will improve materially during the month of March, culminating in a very active demand for these products in the month of April. If this is the case and adequate financing is forthcoming, as it most certainly will be, considering the faith which the Canadian people have in the pulp and paper industry, then it seems certain that those common share dividends which are soundly based will not only be continued, but in days to come, as the industry prospers, will be substantially increased.

DOMINION FOUNDRIES

Dividends to be Paid in Stock of Adirondack Steel Subsidiary

Dominion Foundries & Steel, instead of declaring the usual quarterly dividend of $1 per share on its common stock, has declared a dividend to be paid in the common stock of its subsidiary, the Adirondack Steel Company, in the proportion of one share of Adirondack for every five shares of Dominion Foundries held. It is apparent that this course of action has been taken with a view to conserving the company's cash resources at a time when working capital is of importance, and inventories generally are being marked down.

It is difficult to estimate the exact value of this distribution to Dominion Foundries' shareholders, as there is no market as yet for Adirondack stock. Earnings of the Adirondack Steel, whose plant is in the vicinity of Albany, N.Y., are said to have been $22,000 in November, and slightly higher in December, which would be in the neighborhood of $6 per share. It is said that the Adirondack Company was then operating at only 25 to 30 per cent. capacity, and that production is being gradually increased.

$24,369,431.

THIS is the replacement value the Manitoba Public Utilities Commission placed on the properties of WINNIPEG ELECTRIC RAILWAY COMPANY, and this is exclusive of very valuable water powers.

This valuation shows over $100 per share against Winnipeg Electric Railway Co. Common Stock.

We believe the securities of Winnipeg Electric Railway Company offer great investment possibilities.

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Assistant General Manager, GEORGE H. SMITH.

Paid-up Capital	$ 6,000,000.00
Reserve Fund (earned)	6,000,000.00
Investments	33,065,554.16

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per cent. per annum, paid and compounded half-yearly.

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J. F. KAVANAGH
COL. JOHN I. McLAREN
LT.-COL. W. H. MERRITT, St. Catharines
MAJ.-GEN. THE HON. S. C. MEWBURN
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RAILROAD EARNINGS

For the second week of February earnings of the Canadian National Railways amounted to $2,121,780 as compared with $1,673,047 for the corresponding period in 1920, an increase of $448,738 or 26.8 per cent.

The Canadian Pacific Railway reports earnings for the week ending February 14th amounting to $3,044,000, as against $3,547,000, in the corresponding period in 1920, a decrease of $503,000 or 14,1 per cent.

WAVE OF PROTEST AT PROPOSAL TO TAX THE MINES

Northern Camps Raise Many Objections to Government Plan

COBALT OUTPUT CUT

Considerably Reduced Shown by January Ore Shipments—McIntyre-Porcupine is Planning Expansion

By Resident Representative.

COBALT.—The furore over the proposal of Premier Drury's Government to increase the mining taxes to net the province approximately $100,000 has reached a roar; from all mining camps come objections. So far the nickel district has made no public pronouncement on the matter, but will do so on Saturday night, February 26, when the Sudbury branch of the Canadian Institute of Mining and Metallurgy meets. B. Neilly, secretary of the Ontario Mining Association, will be a speaker. It is known that the nickel mines will point to the present absolute lethargy of the industry as an evidence that it cannot stand an increased tax. However, the tax is only based on profits and on a sliding scale at that and would therefore depend on the price of nickel and the volume of production. With no production there would be no tax.

Many laugh at the cry that the new tax will scare away foreign investors, but on the other hand there are mining men who contend that mining is such a gamble it should not be taxed at all.

As to Mining Costs

Some interesting figures on the cost of mining in Kirkland Lake are secured from the report of the Lake Shore. The total tonnage treated for the year ending November 30, 1920, was 18,889 and the average value was $25.61 a ton. Operating costs were $236,792.62 or $12.53 a ton. In a word, half the gold produced was profit. Of course certain deductions were made but the net profit was $10.02 a ton.

Properties operating in Lebel township are seeking electric power for development purposes. The power company, Northern Ontario Power & Light, has been asked to extend its transmission lines into the township. Directors of the Lebel Crystal Lake Gold Mines plan to spend $50,000 on development work and exploration.

That the output of Cobalt has been seriously cut down is shown by the January ore shipment report of the T. & N. O. Five companies shipped cars, Beaver 30 tons, Coniagas 62, Dominion Reduction 67, La Rose 88 and McKinley-Darragh 84.

Working on the 410-foot level the Chambers-Ferland has found the vein passing out of the Nipissing into its property. It is two inches wide and runs as high as 5,000 ounces to the ton in values. The high-grade ore is being sorted out and bagged while the low-grade is being sent to the surface by the Right-of-Way shaft.

The general opinion is that the McIntyre-Porcupine Gold Mine will increase the size of its plant by at least 50 per cent. The mill capacity now is 600 tons. With a milling capacity around 1,000 tons the McIntyre could handle $3,000,000 yearly. It is generally accepted that the recent developments on the McIntyre below the 1,000-foot level are such as to warrant an increase in plant. Besides the old ore body of vein No. 5 is increasing in value at depth.

MINING STOCK QUOTATIONS
Week ending Feb. 22.

	High	Low	Close	Sales
Adanac	2	1¾	2	8000
Apex	2	..	..	5000
Atlas	27¾	25	25	6000
Bailey	4	3¾	3¾	1300
Beaver	40½	37	39	14300
Cham. Fer.	9½	8½	9	5500
Can. Smelt.	20¼	18	18	227
Coniagas	1.80	..	..	25
Crown Res.	18	16	16½	6970
Dom. Exten.	60	..	..	30
Dome Lake	3¾	..	..	3000
Dome Mines	18.95	16.00	18.75	7726
Gold Reef	4⅜	3⅞	4¼	144500
Hollinger	6.85	6.51	6.72	7347
Hunton	10½	..	..	2000
Keora	19¾	17½	18¾	46800
Kirk. Lake	56	51	53	15700
La Rose	30	28	28	2950
Lk. Shore	1.21	1.19	1.20	5900
Inspiration	4	..	..	3000
McKinley	29	28	28	1000
McIntyre	2.02	1.92	1.96	11943
Min. Corp.	1.20	1.11	1.11	1350
Newray	8	7⅞	8	3000
Nipissing	9.25	9.00	9.25	685
Pete. Lake	8	7⅝	8	8500
Porc. Crown	23½	22	22½	14000
Preston	3⅞	3½	3¾	14000
Provincial	38	37	37	4000
Schumacher	26	25	25½	9000
Teck-Hughes	11	10½	10½	10800
Timiskam'g	27	26¾	26¾	2000
Thom-Krist	7⅜	7	7¼	15500
Trethewey	18	16¾	17	8900
V. N. T.	23	21	21½	37200
West Dome	9⅜	8	9⅜	45000
West Tree	5¼	5	5	29000
Skead	30	25	25	1200
La Palme	4	..	..	2000

WM. A. ROGERS

Increase in Sales for January—Steady Improvement Looked for

Sales of the Wm. A. Rogers Co. for the month of January were in excess of those for the corresponding month a year ago, according to an announcement made by President S. J. Moore at the annual meeting in Toronto last week. Indications pointed, he added, to a steady improvement over the last four months of the past year, when there was a considerable shrinkage in the volume of business offering. The annual statement showed profits for 1920 in excess of the returns for 1919 by $46,154. The old board of directors was re-elected.

SUIT FILED AGAINST MACKAY COMPANIES

United States Government Wants Accounting—Alleges Large Sum Due

Suit has been filed against the Mackay Companies, Clarence H. Mackay and others as trustees by the Department of Justice of the United States Government, through Assistant U.S. Attorney E. B. Barnes, according to a New York despatch, for an accounting from the postal telegraph system for moneys which the system collected while acting as agent for the United States Government while its telegraph lines were under government control. In November, 1914, President Wilson fixed the compensation to be paid to the Mackay Companies at $1,680,000 for the year with an allowance of $500,000 for depreciation.

The compensation fixed was unsatisfactory to the company, and settlement was refused. The government in its complaint alleged that when the system was returned to its original owners, the company demurred when asked for a settlement on the basis of the net revenues for the year. These net revenues the government alleges are over $4,000,000. The government contention that approximately $2,000,000 is due it from the company is made the basis for the present suit for accounting.

BRIGHT OUTLOOK FOR F. N. BURT CO.

Business Active at Opening of Year—Strong Financial Position

The outlook for larger business for the F. N. Burt Co. for the present year is decidedly favorable, according to President S. J. Moore, who pointed out to the shareholders at the annual meeting of the company in Toronto a few days ago that the sales for January of this year were ahead of those in January a year ago. Commenting upon the company's position he stated that during the past five years the profits of the company totalled $2,808,000, and out of this total had been paid the sum of $960,000 in dividends. There was accordingly retained in the business some $1,500,000 for extensions of plant and increased working capital. The company had nearly doubled its productive capacity without calling upon the shareholders for any additional capital. The profits during the five-year period had increased each year over the preceding year. He added that there was every prospect of continuing the present dividend of 10 per cent., which being paid in New York funds brought a return of 11½ per cent. to Canadian shareholders. No change was made in the directorate and officers of the company.

WOULD PREVENT GOLDFIELDS DEAL

Alleged That Minority Interests Would Be Penalized—Seek An Injunction

By Resident Representative.

COBALT.—The writ issued at Osgoode Hall by Peter Kirkgaarde, as a shareholder, against the Goldfields, Ltd., for an injunction to prevent the officers from carrying out or concluding a certain contract with the Associated Goldfields, Ltd., of Larder Lake, or the new $30,000,000 corporation known as Canadian Associated Goldfields, Ltd., is to be acted upon at an early date, according to information just obtained.

Mr. Kirkgaarde claims that the Associated Goldfields, Ltd., who claim to have a majority of the shares of Goldfields, Ltd., are acting in a manner that would penalize the minority shareholders of Goldfields, Ltd., and he seeks to prevent such a deal by taking out the injunction asked for. His solicitors are Fasken, Robertson, Chadwick & Sedgewick, of Toronto, and when Mr. Robertson was seen he stated that Mr. Kirkgaarde seeks to prevent the Associated or the Canadian Associated Goldfields, Ltd., from getting the property of Goldfields, Ltd., under the present scheme of issuing a part of the new stock in the 30,000,000 share corporation. He insists that Goldfields, Ltd., own the power plant and other valuable property, and the plan to water the stock of the new organization may be a scheme to acquire for this new corporation the properties owned by the Goldfields, Ltd. "I shall endeavor to get at the bottom of the whole business and purpose to examine Dr. McKay and other officers and directors who know anything about the matter, under oath," Mr. Robertson is quoted as having stated.

Mr. Kirkgaarde is reported to have said: "The matter is entirely in the hands of Mr. Fasken and Mr. Robertson, but I feel sure that some very interesting information will develop when Mr. Robertson comes to examine Dr. McKay. These men, who have for so many years made use of the power plant of the Goldfields, Ltd., should not squeeze out the small shareholders."

It is also learned that a petition, signed by about fifty-two shareholders, resident in the Oakville and Chatham districts, has been presented to Premier Drury and Hon. H. Mills, Minister of Mines, asking for a Government investigation of the affairs of the company.

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He has made a special study of selling by mail—has helped to build up the correspondence departments of several concerns.

Possesses a good working knowledge of finance and commercial law. Has written analyses of Canadian securities for several magazines. Intimate knowledge of office routine and banking. Thinks he has better qualifications than the average, but doesn't know it all.

While in a New York advertising agency he was assistant to chief of research department.

Can sell securities—has been called a fair salesman, but doesn't profess to be one. Can do things on his own initiative and do a fair percentage of them right. Ample proof of his past work can be produced. Not a job-seeker, for he isn't out of a job. Some concern that wants more business at a reduced overhead needs this chap badly. Could justify his existence in two months.

Is now ready to tackle a red-blooded man's job with promise to it. Willing to work eighteen hours a day—usually works twelve. Doesn't expect to secure an executive position at first, but hopes to merit one later on. Wants to study your business, assimilate your ideas and grow up with you.

Salary unimportant. Age 27. College-bred. Canadian.

Why not get in touch with him? You have everything to gain and nothing to lose. Apply— Box 80, FINANCIAL POST.

Dominion Power & Transmission Company, Limited

HEAD OFFICE: HAMILTON, ONT.

ANNUAL REPORT

TO THE SHAREHOLDERS:

During the past year many adverse influences united in causing a considerable reduction of net results in the Company's business. Of abnormal items, the effects of which were fully felt, the chief are increased labor cost, Federal taxation, cost of coal and cost of exchange. Expense of operation has increased by the sum of $484,171.99, to offset which the gross earnings increased by the sum of $326,336.77. Some of these abnormal costs have begun to right themselves and others must and will do so.

There has been no relaxation in the policy of keeping plants and properties in good condition, and as a whole, the system is operating smoothly and well. Bonds to the sum of $600,000.00 have been issued, and $149,000.00 retired. The total of Reserves and Profit and Loss Accounts has been slightly reduced to the sum of $3,218,162.24.

As is the case with most railways, the condition under which our railways work, is detrimental to them and to their patrons. The very extensive recognition over the whole Continent of the fact that railways need fair treatment as well as other business, should soon have its effect in causing relief being accorded in reasonable and suitable measure to properties of that class.

The usual statement of the year's business with the Auditors' report is included herewith.

Respectfully submitted,

WM. C. HAWKINS, Secretary. J. R. MOODIE, President.

Hamilton, Ontario, 21st February, 1921.

ANNUAL STATEMENT

FOR YEAR ENDING 31st DECEMBER, 1920

Being a Statement of combined results of Operations of the Company and its Subsidiary Companies.

EARNINGS AND EXPENSES

Gross Earnings		$ 3,803,723.15
Operating Expenses		2,771,875.99
		$ 1,031,847.16
Bond Interest and Interest	$436,280.62	
New York Exchange, 1920	68,378.65	504,659.27
		$ 527,187.89

PROFIT AND LOSS

1920		
Jan. 2nd.—Balance from 1919		$ 1,008,119.48
Dec. 31st—Surplus Earnings, 1920		527,187.89
" Bad debts, etc., written off	$ 13,798.53	
" Income Tax Paid	85,618.64	
" New York Exchange, 1919	30,305.29	
" Dividends	465,059.00	
" Balance	940,525.91	
	$ 1,535,307.37	$ 1,535,307.37

ASSETS

1920	
Dec. 31st—Properties	$23,481,327.79
" Bonds Purchased for Sinking Funds	2,740.00
" Accounts Receivable	165,496.15
" Stores on Hand	258,174.97
" Cash on Hand	15,030.33
" Cash in Trustee's Hands for account of Sinking Fund	1,503.09
	$23,924,272.33

LIABILITIES
To The Public

1920		
Dec. 31st—Accounts Payable		$ 221,719.35
" Bond Interest Accrued		113,553.75
" Insurance Accrued		50,378.79
" Bank Overdraft		85,342.20
" Bonds, including Outstandings of Subsidiary Corporations issued	$10,030,000.00	
" Bonds Redeemed	1,324,000.00	8,706,000.00
To Shareholders		
Dec. 31st—Capital Stock, Cum. Pref.	$ 3,681,100.00	
" Capital Stock, Ordinary	7,714,500.00	11,395,600.00
" Dividends Payable 15th January, 1921		133,516.00
" Maintenance and Renewals Reserve		527,636.33
" Reserve		1,750,000.00
" Profit and Loss		940,525.91
		$23,924,272.33

On behalf of the Board,
J. R. MOODIE,
W. C. HAWKINS, } Directors.
Hamilton, Ont., February 4th, 1921.

I have audited the books and accounts of the Dominion Power & Transmission Company, Limited, and also those of its various Subsidiary Companies, for the year ended 31st December, 1920, and have been furnished with vouchers for all expenditures. I have obtained all the information and explanations I have required; and in my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of my information and the explanations given me, and as shown by the books of the Company.

C. S. SCOTT, F.C.A., Auditor.

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DOMINION POWER AFFECTED BY HIGH OPERATING COSTS

Net Earnings in Consequence Are Lowest for Several Years

GROSS INCOME UP

Improvement in Sight for Public Utilities—Pres. Moodie Says System is Operating Smoothly and Well

The adverse conditions under which the majority of public utilities on this continent operated during the past year, arising chiefly out of the steadily mounting operating costs is reflected in the financial statement of the Dominion Power & Transmission Co., Ltd., for the year ending December 31 last. While gross returns for the year show a substantial increase, and stand at the highest figure in the company's history, thereby indicating a substantial expansion in business this increase is more than offset by the several abnormal factors, the chief of which are the increased labor cost, federal taxation, cost of coal, and cost of exchange with the result that net earnings are under the net returns for several previous years.

According to the balance sheet gross earnings for the year amounted to $3,803,723, compared with $3,477,386 for the previous year or an increase of $326,336. For the same period expenses reached a total of $2,771,723 compared with $2,287,704, or an increase of $484,171, thereby more than offsetting the advantage to be derived from the increase in income. From earnings of the past year there was applied the sum of $436,280 in interest compared with $453,816. Two items appear for the first time in last year's account, being New York exchange, 1919, $30,305, and New York exchange, 1920, $68,378. Income tax requirements made a large inroad upon earnings the sum of $85,619 being disbursed for this purpose. The balance after all charges had been met amounts to $940,526, compared with $1,008,119, at the close of the previous year.

The following tables shows the distribution of earnings for the past two years:

	1920.	1919.
Gross earnings	$3,803,723	$3,477,386
Expenses	2,771,876	2,287,704
	$1,031,847	$1,189,682
Replacements	....	35,116
Interest	436,280	453,816
N. Y. Exchange	68,379	....
Surplus Earnings	$ 527,187	$ 700,750
Bal. forward	1,008,119	853,033
	$1,535,308	$1,553,783
Bad debts	13,799	12,251
Income tax	85,619	....
Dividends	465,059	533,413
New York Exc.	30,305	....
Balance	940,526	1,008,119
	$1,535,308	$1,553,783

Consider Growth in Business

From the following table it will be seen that there has been a consistent growth of the company's business, but owing to the adverse conditions mentioned above the net earnings have declined:

Eight Years' Record

	Gross Earnings.	Net Earnings.
1920	$3,803,723	$1,031,847
1919	3,477,386	1,189,682
1918	3,204,644	1,160,177
1917	2,967,273	1,233,514
1916	2,693,211	1,233,610
1915	2,353,956	1,001,955
1914	2,395,967	1,005,121
1913	2,737,806	1,281,814

President J. R. Moodie holds out hope that conditions will soon improve. Some of these abnormal costs have begun to right themselves, he says, and others must and will do so. At the annual meeting in Hamilton this week, he pointed to the necessity of increased fares upon the Hamilton Street Railway if the public was to be assured of accommodation. It was not reasonable, he said, in view of the fact that companies in many other cities had secured increased fares, to expect the Hamilton company to continue with no reasonable return upon its investment.

Speaking of the company's activities generally he continued as follows:

There has been no relaxation in the policy of keeping plants and properties in good condition, and as a whole the system is operating smoothly and well. As in the case with most railways, the condition under which our railways work, is detrimental to them and to their patrons. The very extensive recognition over the whole continent of the fact that railways need fair treatment as well as other business, should soon have its effect in causing relief to be accorded in reasonable and suitable measure to properties of that class.

The value of the company's assets is now placed at $23,924,272. The total of reserves and profit and loss accounts has been slightly reduced to the total of $3,218,162. Bonds to the sum of $600,000 have been issued and $149,000 retired.

B.C. ELECTRIC RAILWAY

Withdraws Application to Ottawa—Existing Conditions to Continue

General Manager Kidd, of the British Columbia Electric Railway Company, makes the announcement at Vancouver that the application to Ottawa to transfer the company to the Fraser Valley & Southern Railway Company, in order that the whole system might come under the jurisdiction of the Board of Railway Commissioners would be withdrawn. This action, he pointed out, would be taken in view of a decision of the officials of the municipalities in which the railway operates to take immediate steps to pass such by-laws as will maintain existing conditions under which the railway operates, including the increased street railway fares. Conditions will in that event continue as they are until June 30, 1922.

NEW RECORDS FOR SALESBOOK COMPANY

Profits Stand at $602,679—Or 40 P.C. Higher Than in Previous Year

A year of record activity and prosperity during 1920 was enjoyed by the American Salesbook Co., Ltd. The annual statement of this company, which was issued several days ago, will be a source of satisfaction to shareholders, as it reveals profits for the year amounting to $602,679 against $427,237 for the previous year or a gain of approximately 40 per cent. The total amount available for distribution last year, including the sum of $270,851 brought forward from the previous year's account, less $22,146 applied on United States federal taxes on 1919 earnings, was $851,384, compared with $697,314. From this amount the sum of $28,921 was applied on interest on bonds; $130,658 on depreciation reserve, compared with $129,073 for the previous year; $50,000 in the reduction of the patent account; $322,696 in dividends against $215,131. The balance to be carried forward stood at $319,107, against $270,851.

Commenting upon the company's position, President S. J. Moore pointed out that the year just closed was the best ever experienced by the company. There was, he added, a falling off in business during the last quarter, but the prospects were encouraging for a gradual return to normal volume during 1921. The inventories at the close of the year had been written down to correspond with present market prices, the shrinkage having been charged off in the year's operations. The regular quarterly dividends on the prefered at the rate of 7 per cent. per annum had been met during the year, the president continued, and in addition two quarters of arrears were paid during the year. It was hoped, he added, that it would be possible to make a similar distribution during 1921. The arrears of dividends are now 8 3-4 per cent.

The company reports merchandise on hand valued at $654,208, against $444,664 a year ago, notwithstanding the writing down of inventories. Accounts and bills receivable are slightly higher at $583,367, compared with $515,942. Assets total $5,630,536 and include $2,474,563 in patents and goodwill. Bills payable are higher also at $407,315, compared with $286,405. The profit and loss balance of $319,107 is subject to deduction of United States federal taxes, the amount of which cannot be accurately determined at this time. Following are comparative figures showing profits and their distribution for the past two years:

	1920.	1919.
Profits	$602,679	$427,237
Broght forward	270,851	269,897
	$873,530	$697,134
U. S. Federal taxes	22,146	....
	$851,384	$697,134
Int. on bonds	28,921	32,079
Dep. reserve	130,658	129,073
Res. Pat. account	50,000	50,000
Dividend	322,696	215,131
Balance	319,107	270,851
	$851,384	$697,134

WHALEN PULP AND PAPER

A western report is that the earnings of the Whalen pulp and paper mills for the year ending February 28 next will show a remarkable increase over the returns of the previous year. Net income for the first eight months of the year, according to reports, after fixed charges, including bond and debenture interest, but before taxes, were approximately $1,200,000.

This figure is more than three and one-half times the amount reported for the preceding complete twelve months. During the eight month period bond interest was earned approximately twelve times over, and debenture interest ten times over. After allowing for 7 per cent. dividend on the company's outstanding preferred shares, current earnings were at the rate of approximately 21 per cent. on the company's common stock.

REPLACEMENT CHARGES OUT OF DEPRECIATION

N. B. Telephone Only Had Benefit of Increases for Two Months

HOPES FOR FUTURE

Anticipated That Bigger Revenues in Future Will Materially Help to Improve Company's Position

ST. JOHN.—The New Brunswick Telephone Company will expend half a million dollars on reconstruction, new buildings, new lines and equipment, according to the report of the president and directors submitted to the annual meeting of the shareholders in Fredericton.

Owing to a change in the by-laws requiring the company's business year to terminate on Dec. 31st the financial statement submitted only covered nine months. It showed gross earnings of $689,786 and operating expenses of $572,457. Out of the net earnings of $117,328 the company has continued the usual eight per cent. dividend amounting to $113,959 allowed by the Public Utility Commission, but has not been able to place anything in reserve for depreciation. During the past year over $81,000 was withdrawn from depreciation reserve account for replacement. At present the depreciation is about $200,000 short of the amount which the directors consider necessary.

The Increased Rates

Last July the company was granted permission to increase its rates and to adopt the measured service system in the city of St. John, but the financial statement submitted showed the full benefit of these rates for less than two months. The directors anticipate that the net earnings for the coming year will show a substantial increase, and enable the company within a few years to bring its reserve back to normal.

When the new rates were put into effect the company lost about 1,000 telephones, but this loss is rapidly being made up, and the company is now experiencing a normal growth.

During the year one hundred and ten miles of farmer line circuit were erected and the toll system was increased by 750 miles of copper and phantom circuit.

The company has a capital stock of $2,099,590, and a reserve for depreciation of $681,254.19. Col. Frank B. Black was re-elected president and E. W. Mair, mayor of Woodstock, was elected to the Board of Directors in place of the Hon. Frank Carvell.

C.P.R. LAND SALES

Fell Off Approximately Ten Millions in 1920

Sales of Canadian Pacific's land department last year fell off approximately $10,000,000, against the following total sales of agricultural land in recent years:

1919, $13,668,443; 1918, $15,375,996; 1917, $14,329,239; 1914, $4,616,804.

From the total amount of sales, cost of irrigation and sales expenses are deductible. These amounted in 1919 to $4,284,046, and in 1918 to $3,664,358, leaving net from land sales in 1920 about $6,000,000, if expenses remained the same.

Most of this land is sold on the instalment plan, with 10 per cent. down and the balance payable over a period of twenty years, if the purchaser desires, so that the bulk of income from land sales in any one year consists of deferred payments from sales in other years.

B. C. ELECTRIC

As a result of a decision of officials of municipalities in which the British Columbia Electric Railway operates to take immediate steps to pass such by-laws as will maintain existing conditions under which the railway operates, including the street railway fares, the application to Ottawa to transfer the company to the Fraser Valley & Southern Railway Company, in order that the whole system might come under the jurisdiction of the Board of Railway Commissioners, will be withdrawn. Present conditions will continue until June 30, 1922.

REDBO, LTD., WINNIPEG

The firm of Redbo, Limited, of Winnipeg, which has acquired the business of Ansley-Hallberg-Lewis, Ltd., manufacturers of marmalade and food products, is offering for a sale an issue of $50,000 common stock, in order to provide the company with working capital to enable it to take care of the large amount of business now offering. This is the only industry of the kind on the prairie provinces, and the prospects are said to be very favorable. The company is incorporated with a capital stock of $100,000.

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HOWARD SMITH EARNED 30% ON COMMON STOCK

Profits Showed Increase of 54 Per Cent. Over Those of 1919

BUSINESS SLACKER

Reports President For Time Being—Looking For Improvement Soon—Output of $7,456,000

By Resident Representative.

MONTREAL.—The report of the Howard Smith Paper Mills, Limited, for the year ending December 31, 1920, showed earnings far in advance of those of the previous year, reflecting both higher prices and profits for the past twelve months, and also the extensions of production of the company's mills. The total profits for the past year amounted to $1,087,380, as compared with profits of $695,500 from the operations of the two separate companies as they were at the end of 1919, the Howard Smith and the Toronto Paper Mfg. Co. The former showed profits alone for 1919 of $429,228, and the Toronto Paper Co. of $266,271 for a similar period. The increase, therefore, of 1920 over 1919 in profits was 54 per cent. Reducing these comparisons to the amounts available in the two years for common dividends it is seen that in 1920 the balance works out at 30 per cent. on the capitalization of $3,000,000 as it stood at the end of 1920, or at a little over 22 per cent., taking the new capitalization of $4,000,000, as it will be on May 1, 1921. In the case of 1919 the profits worked out at about 17 per cent., so that the gain for the year is a very substantial one.

Present Conditions

Lest the shareholders take this in a too optimistic vein the President, C. Howard Smith, thus indicates present conditions of the company's products: "Since the beginning of the present year there has been a slackening of business, which has affected the paper trade in common with other lines of industry; but as your mills are in a position to produce paper at very favorable prices, and as there is no surplus of paper under normal conditions in the world, your directors anticipate a very lively demand for your company's product in the near future." The president adds that export business showed a very satisfactory improvement over 1919. "We anticipate an increased demand during the present year, and are in a position to supply it." Which naturally implies, as is the case with practically every paper company today, that present earnings for the time being are running much below the high record of last year.

There appears below a comparison of the profit and loss account of the company for 1920, with the combined figures for 1919 of the separate companies. In this case THE FINANCIAL POST secured the figures of profits for the first three months of 1919 as well as the published figures for the last nine months for the Toronto Paper Mfg. Co., and the deductions for the first three months are made proportional to those of the last nine, as no special report was ever prepared for the first quarter. The items compare thus:

Profit and Loss Account (Combined Mills)

	1920	1919
Net profits oper.	$1,087,380	$695,500
Sundry rev. and inv.	2,518	8,761
Total	$1,089,898	$704,261
Deduct bond int.	78,000	62,650
Deduct pref. div.	120,000	33,250
Avail. for com.	$ 891,898	$608,251
Com. divs.	220,800	142,500
Res. for deprec.	196,216	154,191
Written off secur., disc. account	16,932	11,200
Res. for taxes	91,018	20,211
Surplus for year	$ 366,932	$280,149

Advance in Working Capital

An exact comparison of the balance sheet for the combined companies for 1920 at the end of 1920 or January 1, 1921, when the two were formally united, is impossible, as all the figures for the Toronto Paper Company for one year before are not available. Taking the original Howard Smith mills it is seen that one year ago the liquid assets were $803,541, while at the end of 1920 these had risen to $1,815,392. The current liabilities one year ago were $331,987, leaving the working capital at the end of 1919 as $471,564 on the Howard Smith Company alone. The current liabilities one year later were $603,430, leaving the net working capital at $1,212,962. Taking the complete statement for the Toronto Paper Company properties as well—that is, the new Howard Smith Paper Mills as constituted on current assets amounted to $2,469,793 with current liabilities of $1,360,528, leaving net working capital of $1,109,265.

Two items are to be added to this total in the near future. By the first of May the balances are due on the $1,000,000 issue of new common stock, amounting, as is stated in the balance sheet, to $648,456. Besides this there will be the proceeds of the new issue of 7 per cent. bonds, which will be about $900,000, giving at that time a total working capital of over $2,700,000, or more than the total of the new combined bond issues as they will then be.

The balance sheet of the combined companies shows inventories of stocks at the mills of $951,349. Accounts payable amount to $931,414, with $250,000 owing to the banks, one-half each for the original companies. This is a new item so far as the Howard Smith mills are concerned as compared with 1919.

PROMISING START FOR BALDWIN'S

Affairs Discussed at Birmingham Meeting—Outlook is Bright

In discussing the affairs of the Baldwins, Limited, at the annual meeting in Birmingham recently Col. Sir John Roper Wright, chairman of directors, who presided, made special reference to the Canadian subsidiary, Baldwin's Canadian Steel Corporation Limited. The British company, he pointed out, had held a valuable and long-established connection in Canada, but had found that this business was threatened by the ever-increasing American competition. As the most effective plan for combating this competition it was decided after careful consideration and investigation to take over the site and plant of the British Forgings, Limited, in Toronto. He adds:

We have been encouraged in every way by the Toronto city authorities, and the largest consumers of such products as we intend to produce, who recognize the importance of establishing such an industry, and thus ensuring supplies at short notice. We have made a very promising start, and can now confidently look forward to, not only retaining, but considerably expanding our trading operations in Canada. We are not yet producing our own steel bars, but it is our intention to do so eventually.

STOCK OF COSGRAVE BREWERY IS OFFERED

Million Dollar Issue Being Made in Montreal—Attractive Export Market

By Resident Representative.

MONTREAL.—A public offering was made this week of the balance of an issue of $1,000,000 of the common stock of the Cosgrave Export Brewery Company, Limited, at $10 a share. There is no preferred stock or bonds of this company, the $1,000,000 issue constituting the whole funded obligations. The company has acquired the property of the Cosgrave Brewery Co. of Toronto, and the whole product will be exported. The field will be a portion of that held in the old days by the United States breweries. As the prospectus states, "Owing to the shutting off of supplies from the United States there is an insistent demand for the products of this company from Cuba, the West Indies, Central and South America, which is greatly in excess of the output of the plants that are operating in Canada." It is intended to dispose of the output, not to individuals, but through a New York exporting house, and arrangements for this, it is stated, are under way.

The stock is being offered by Geo. W. Hamilton & Company, of Montreal. The officers and directors include James F. Cosgrave, Toronto, president; N. L. Macdonald, of the Macdonald Lumber Company, Toronto, vice-president; Hal MacD. Brown, Montreal; Lt.-Col. H. A. Stewart, D.S.O., of Lukis, Stewart & Co., Ltd., Montreal, with two other directors to be still appointeod.

CANADIAN PACIFIC RAILWAY

Notice is gazetted at Ottawa of the intention of the Canadian Pacific Railway Company to apply to parliament this session for an act authorizing the company to issue bonds, debentures or other securities collateral to, or in lieu of its consolidated debenture stock.

INTERNATIONAL PAPER

International Paper Co. has announced a price of 5.7 cents a pound for newsprint in rolls, carload lots, for delivery during the second quarter of the current year. Quotation of 5.7 cents a pound, or $114 a ton, compares with $130 a ton on deliveries both during this quarter and for the final quarter of 1920. The company has also given customers the option of accepting a quotation from April 1 to the balance of the year of 5½ cents a pound or $110 a ton.

Prices charged by International Paper Co. since January, 1920, are as follows: First quarter, '20, $90 a ton; second quarter, $100; third quarter, $115; fourth quarter, $130. First quarter '21,

A BIG SHAKE UP IN DIRECTORATE OF FORGINGS COMPANY

Old Control Dislodged With Capt. W. M. Weir President

CUT IN THE PROFITS

Surplus Called on to Meet Dividends—Echo of Attempt To Include Company In Merger

By Resident Representative.

MONTREAL.—There was a violent shake-up in the directorate of Canada Foundries and Forgings at the annual meeting held in Brockville on Tuesday of this week, another reaction of the British Empire Steel Corporation. There was a time when a group bid high for Forgings stock on the assumption that there was something like $300 cash per share in it for them when it should be turned over. The price jumped well over $250 a share. The dividend was increased. Then it was thrust out of the merger, as a sort of ballasting thrown overboard to keep the other afloat, and down slumped the price of the stock. From a high of 256 last year there was a drop before the end of 1920 to 114 a share. And as a sequel, there were dislodged from the board several of those who were supposed to have been closely connected with the ambitious plans for the soaring of Forgings' securities last year.

One year ago Thomas J. Dillon assumed the presidency, holding the position of general manager as well. This time the former president, W. M. Weir, becomes president, and a new general manager is appointed in the former assistant, James Arnold. Others who retired from the board besides Mr. Dillon were Henry Bertram, Dundas; C. O. Cameron, formerly of Thornton, Davidson & Co., Montreal; Lawrence Chamberlain, New York; John T. Dillon, Buffalo; S. J. LeHuray, Montreal; J. A. MacKay, New York, formerly of Montreal. The new board consists of Hon. W. J. Shaughnessy, Montreal; Lieut.-Col. C. Monsarrat, Ottawa; W. T. Thompson, Gananoque; Lieut.-Col. C. W. Maclean, Montreal; W. T. Sampson, general manager of Ontario Steel Products Co.; H. F. Conway, Montreal, president St. Lawrence Iron Foundry Co.; W. D. Robb, Montreal; W. M. Weir, Montreal; James Arnold, J. H. A. Briggs and Hon. Geo. P. Graham, Brockville.

The profit and loss statement shows a considerable decline over 1919, and the surplus had to be cut into to pay the common dividend of $96,000, ten per cent. on the stock. The items for the past two years compare as follows:

Profit and Loss Account

	1920	1919
Net profits	$ 39,979	$ 162,843
Invest. inc.	77,496	79,219
Total income	$ 117,475	$ 242,062
Bond. int.	10,139	10,422
Expenses and int.	66,062	61,725
	$ 41,276	$ 169,915
Previous surplus	1,285,222	1,297,706
	$1,326,496	$1,467,621
Readjustment	*54,585	....
Total balance	$1.381,081	$1,467,621
Loss on Victories	5,000	....
War tax, 1918	8,608	....
Balance	$1,367,473	$1,467,621
Dividend pref.	62,200	62,200
Balance	$1,305,273	$1,405,421
Dividend com.	96,000	115,200
Surplus forward	$1,209,273	$1,290,221

*On value of machinery.

LAKE SHORE MINES

Returns Show an Increase—Profits Amount to $104,992

Gross income for the Lake Shore Mines, Ltd., for the year ending November 30 last, shows a distinct improvement over the returns for the previous twelve-month period standing at $528,028, against gross production for 1919 of slightly under $300,000. Conditions were not wholly favorable during the past year, as during the earlier months there was an acute shortage of labor, and the shortage of power proving handicaps which affected gross output. Expenses are given at $293,035, and the profit before providing $130,000 for exhaustion or Dominion taxes amounts to $234,992. Net profit for the year amounted to $104,992, compared with $38,273.

Owing to the adverse conditions, according to the report, the development work has been exceedingly limited. However, all the ore treated, was the ore that had been developed since the beginning of milling operations. The work of deepening the

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F. N. BURT COMPANY, LIMITED

Report of the Directors to the Shareholders for the Year Ended December 31st, 1920.

The Directors present to the Shareholders their Twelfth Annual Report with the accompanying statement of Assets and Liabilities as of December 31st, 1920:

Balance brought forward from 1919	$713,044.81	
Less Federal Taxes on 1919 earnings paid in 1920	125,087.73	
	$587,957.08	
Profits for the year	842,712.05	
		$1,430,669.13
The appropriations were as follows:		
Transferred to Realty and Plant Reserve	$208,477.87	
Written off Patents	23,201.42	
Dividends on Preference Stock, Nos. 42, 43, 44 and 45, at the rate of 7% per annum	119,754.25	
Dividends on Common Stock, Nos. 41 and 42, at the rate of 8% per annum, and 43 and 44, at the rate of 10% per annum	94,378.25	
		445,811.79
Balance carried forward to 1921		$ 984,857.34

The year's profits have been arrived at after writing down the inventories to present replacement values. The shrinkage has been charged off in the year's operations. In view of this, it is gratifying to be able to report that the profits are the largest in the Company's history.

In accordance with the policy adopted a year ago, the balance in the Profit and Loss account is subject to deduction of Federal Taxes on the 1920 profits, the amount of which cannot be determined accurately at this time.

Commencing with the October 1st payment, the rate of dividend on the Common Stock was increased from 8% to 10%. Dividend payments on both classes of stock aggregate for the year $214,132.50, which is about one-third of the year's profits. All dividends were paid in New York funds.

Additional Preference Shares to the amount of $420,200 were converted into Common Shares during the year. Up to date a total of $528,700 of Preference Stock has been converted.

Income business fell off during the last quarter, but we have entered the year 1921 with a substantial amount of orders on hand and look for a satisfactory volume of profitable business.

By order of the Board,
S. J. MOORE,
President.

Statement of Assets and Liabilities, December 31st, 1920.

ASSETS

Real Estate and Buildings	$ 879,030.38	
Plant, Machinery and Equipment	1,431,694.36	
Investments in other Companies	23,246.33	
Patents and Good-will	831,322.48	
		$3,165,293.55
Merchandise	$1,186,587.63	
Prepaid Expense	41,545.01	
Accounts and Bills Receivable	461,077.86	
Cash	248,792.74	
		1,938,003.24
		$5,103,296.79

LIABILITIES

Capital Stock Issued:		
Preference Stock	$1,446,500.00	
Common Stock	1,278,700.00	
		$2,725,200.00
Dividends payable January 3, 1921:		
Dividend on Preference Stock No. 45 . $25,322.50		
Dividend on Common Stock No. 44 . 31,955.00		
	$ 57,277.50	
Accounts and Bills Payable	502,670.94	
		559,948.44
Mortgages on Properties Purchased		95,000.00
Realty and Plant Reserve	$ 709,106.01	
Other Reserves	29,185.00	
Profit and Loss Account (subject to Federal Taxes on 1920 earnings)	984,857.34	
		1,723,148.35
		$5,103,296.79

At the Twelfth Annual Meeting of Shareholders, held on February 18th, 1921, the President, Mr. S. J. Moore, reviewed at length the Company's operations of the past year.

The Board of Directors was re-elected as follows: Messrs. S. J. Moore, A. E. Ames, F. N. Burt, Hon. W. Caryl Ely, James Ryrie, Alfred Jephcott, Wm. Findlay, Ph.D., and Hon. Holland S. Duell.

The officers were re-elected as follows: S. J. Moore, President; A. E. Ames and F. N. Burt, Vice-Presidents; E. G. Baker, Secretary, and W. N. McLeod, Assistant Secretary.

You Press One Button Once to Get Your Party on a STROMBERG-CARLSON INTER-COMM-PHONE SYSTEM
NO SWITCHBOARD OR OPERATOR
Send for Bulletin 1017
STROMBERG-CARLSON TELEPHONE MFG. CO., 35 McCAUL ST., TORONTO

MONEY BANKING AND EXCHANGE

SAVING DEPOSITS NOW MORE THAN CURRENT LOANS

Effects of Deflation Are Seen in the Bank Statement

ASSETS CONTRACTED

Are Down $130,000,000 For January and Only $15,000,000 Greater Than at Same Time Last Year

The contraction of current loans continued during January as indicated by the Government statement of the chartered banks. The reduction during the month was $37,313,000, which, coupled with other reductions since the peak of credits was passed, makes a total of over $130,000,000. The total is now $1,264,500,000, which is $37,500,000 higher than at the corresponding period a year ago.

Savings deposits continue to reflect thrift on the part of the public, being $20,000,000 higher for the month, and at a total of $1,313,000,000 nearly $150,000,000 greater than a year ago. The fact that savings deposits are now greater than current loans is an indication of a much more healthy position as regards commercial credits than has prevailed for a long time. At the same time demand deposits were reduced by about $73,500,000 and at $584,000,000 are now over $37,000,000 less than a year ago.

Total assets declined over $130,000,000 during the month, another indication of the process of deflation now taking effect; for the year total assets are only $15,000,000 greater.

In addition to the reduction of current loans, January saw a reduction of $19,500,000 in call loans abroad, $23,000,000 in gold reserve, over $2,000,000 in Canadian call loans and over $11,000,000 in commercial loans abroad. Holdings of Dominion notes and specie increased about $11,500,000.

Foreign deposits during the month were reduced by more than $38,000,000 and circulation was cut down by more than $22,500,000.

EXCHANGE MARKETS

Fluctuations During Week Within Narrow Range

Exchange markets were steady in tone throughout the week. New York funds closed weaker or down from 15 3-16 to 14 at close. Sterling moved down more than a point from $3.88¼ to $3.87. Francs were slightly firmer. The following are the fluctuations:

NEW YORK FUNDS

Feb. 17—Markets opened at 14 11-16 bid, strengthened to 15 3-16, closing at 15⅛ bid.

Feb. 18—Opening quotations 15 3-16, moved up to 15⅜, closing at 15½.

Feb. 19—Funds opened steady at 15½, slightly easier at close at 15⅜ to 15 7-16.

Feb. 21—Funds opened at 15 9-16, sold at 15¼, 15 5-16, 14½, 14 3-16 to 14⅞.

Feb. 22—Opened at 14 11-16, closing at 14 to 14 1-16.

Feb. 23—Funds opened at 14⅝, sales at 14¼, 14 5-16, 14 at close.

Sterling and Francs

	Sterling Demand	Sterling Cables	Francs Demand	Francs Cables
Feb. 17	$3.88¼	$3.89	13.56	13.54
Feb. 18	3.86¼	3.87	13.64	13.62
Feb. 19	3.86	3.86¾	14.04	14.02
Feb. 21	3.88⅝	3.89⅜	13.94	13.92
Feb. 22	3.88¾	3.89½	13.79	13.77
Feb. 23	3.87	3.87¾	13.78	13.76

ROYAL

C. E. Brien, manager of the Niagara Falls branch of the Royal Bank, has been transferred to the Owen Sound branch of the bank.

JANUARY BANK STATEMENT

	Jan., 1921.	Dec., 1920.	Change in Mon.	Jan., 1920.	Change in Yr.
Assets					
Specie	$ 85,118,010	$ 82,687,559 +	$ 2,430,451	$ 80,895,502 +	$ 4,222,508
Dom. notes	186,589,527	177,489,280 +	9,100,247	181,018,036 +	5,571,491
Gold reserve	89,702,533	113,352,533 —	23,650,000	103,200,000 —	13,497,467
Call loans ab'd	191,854,003	211,442,652 —	19,588,649	170,206,805 +	21,647,198
Can. call.	112,474,318	114,703,246 —	2,228,928	132,015,334 —	19,541,016
Current	1,264,490,463	1,301,804,342 —	37,313,879	1,226,962,963 +	37,527,500
Loans ab'd	173,379,729	184,540,423 —	11,160,694	182,533,124 —	9,153,395
Total assets	2,926,867,072	3,056,979,489 —	130,112,417	2,911,853,848 +	15,013,224
Liabilities					
Circulation	$ 206,175,821	$ 228,758,587 —	$ 22,582,766	$ 216,691,916 —	$ 10,516,095
Demand dep.	584,025,710	657,496,742 —	73,471,032	621,408,024 —	37,382,314
Savings	1,313,093,870	1,293,007,488 +	20,086,382	1,163,297,037 +	149,796,833
Total Can. deps.	1,897,119,580	1,950,504,230 —	53,384,650	1,784,705,061 +	112,414,519
Foreign	318,622,947	356,771,009 —	38,148,062	285,203,939 +	33,419,008
Total liab.	2,642,380,435	2,778,308,547 —	135,928,112	2,644,392,838 —	2,012,403

Weekly Bank Clearings

(In comparison with same week last year.)

	Feb. 17, 1921.	Change.	%
Eastern Cities			
Toronto	$102,743,134 +	$ 4,381,857	4.4
Montreal	99,953,054 —	27,897,491	21.8
Ottawa	7,228,305 —	688,433	8.6
Hamilton	5,713,568 —	49,564	.8
Quebec	6,198,023 +	1,207,541	24.1
Halifax	3,074,505 —	1,087,910	26.1
St. John	2,501,324 —	377,892	13.1
London	2,713,846 —	522,615	16.1
Windsor	2,667,107 +	153,234	6.0
Brantford	1,177,901 +	83,878	7.6
Sherbrooke	1,236,777 +	337,240	37.5
Kitchener	923,554 —	66,823	6.7
Peterboro'	889,670 +	238,652	36.6
Total East	$237,021,768 —	$24,288,326	9.2
Moncton	940,115		
Western Cities			
Winnipeg	$ 45,399,111 +	$ 4,293,021	10.4
Vancouver	12,918,593 —	2,281,942	15.0
Calgary	5,597,251 —	1,964,540	25.9
Edmonton	4,277,428 —	669,093	13.5
Moose Jaw	1,162,771 —	187,441	13.8
Saskatoon	1,620,290 —	176,730	9.8
Fort William	844,835 +	79,895	10.4
New Westminster	631,323 +	62,378	10.9
Lethbridge	651,246 —	76,618	10.5
Medicine Hat	352,217 —	18,801	5.0
Prince Albert	284,765 —	75,588	20.9
Brandon	632,258 +	41,634	7.0
Total West	$ 74,372,088 —	$ 973,825	1.2
Grand Total	$311,393,856 —	$25,262,151	7.5
Regina	3,149,092		
Yr. to date	$2,391,029,793 —	$98,706,571	3.9

UNION

J. Maclean, manager of the Craik branch of the Union Bank, has been transferred to the Gull Lake branch.

HOME

The Home Bank of Canada has opened its fourth branch in Montreal, at the corner of Mount Royal Avenue and St. Lawrence Boulevard.

IMPERIAL

The Imperial Bank of Canada opened a new branch at 373 St. Mary's Rd., St. Vital, Winnipeg. This makes the fifth branch in Winnipeg. R. Mavor has been appointed manager.

STERLING

J. H. Robinson, formerly accountant at the Almonte branch of the Sterling Bank, who has been at the head office of the bank for some time, has been appointed acting manager of the new branch at Madawaska.

H. Robinson has been transferred from the Brookdale to the Glenella branch to take over the duties of teller.

A. E. Hawke, formerly teller at the Lakefield branch, has been transferred to Fenelon Falls.

M. A. McLaughlin, accountant at Port Stanley, has been appointed acting manager at the Varna branch.

R. J. Moore, teller at Staffordville, has been transferred to the Port Stanley branch.

F. E. Atkinson has taken over the management of the Staffordville branch of the Sterling Bank.

J. B. Hardwicke of the head office staff has been transferred to take charge

NO WIDESPREAD CALL FOR RURAL LOANS IN ONTARIO

Indications That Needs Of Farmers Are Being Well Met

THE PROPOSED PLAN

One of Three Acts Provides for Accepting Deposits but Unlikely That it Will be Put Into Effect

Legislation along the lines of that adopted in Manitoba for the provision of rural credits is being considered by the Ontario legislature under three bills. However, it is not expected that the schemes will be carried as far as they have in the Western province in the direction of accepting deposits and doing a banking business. The situation in Ontario at present is such that there does not appear to be any crying need for the inauguration of such a system. In fact the opinion grows in business and financial circles that the legislation is largely a political move and that conditions are such that there will be little incentive for the farmers to take general advantage of it.

The proposed Farm Loans Act provides for the formation of farm loans associations under an agricultural development board, capital to be fixed and made up as follows:

(a) One share of par value of $100 for each member, and no association shall carry on business until at least thirty members have subscribed;

(b) Shares to the extent of one-half of the total amount subscribed by individual members shall be subscribed by the corporations of municipalities in the territory for which the association is formed, except where the association is formed in an unorganized district; and

(c) Shares to the extent of one-half of the total amount subscribed by individual members shall be subscribed by the Government of Ontario.

Ten per cent. of the subscription must be paid with application and the balance when called. On the formation of an association the provincial treasurer may subscribe for shares as outlined in clause (c). The board will advise as to credits available and loans may be granted for the following purposes:

(a) Purchase of seed, feed, fertilizer and other supplies;

(b) Purchase of implements and machinery;

(c) Purchase of cows, horses, sheep, pigs and poultry;

(d) Payment of cost of carrying on any farming, ranching, dairying or other agricultural operations;

(e) Payment of the cost of preparing land for cultivation;

(f) Fire or life insurance.

Notes are to be dated not later than 31st December following making of loan. Renewals cannot be granted for longer than one year and only with the approval of the board. In the event of loans being secured from the bank the following clause applies:

Every bank from which loans are obtained by any association under this Act shall forward to the board a monthly return showing each loan made by it under the Act, and the amount advanced at the date of such return and also showing all loans, if any, then past due.

Municipal councils may subscribe for stock in the association formed under the act without taking a vote of the ratepayers.

The act providing for the appointment of the agricultural development board gives power to issue bonds up to $500,000 and debentures as approved by the Lieutenant-Governor in Council. These securities are authorized as trustee investments.

The third act gives power to the Government to accept deposits for the purposes of providing funds for loans but it is not considered likely that this will be brought into operation.

COMMERCE

The Canadian Bank of Commerce will open a new branch at the corner of Arlington and Notre Dame, Winnipeg, Man., about March 1st. This makes the 13th branch of the Bank of Commerce in Winnipeg.

DIVIDEND PAYMENTS

Company.	Date.	Rate.	Record
Crow's Nest Coal	Mar. 1	1½	Feb. 12
Detroit Rly.	Mar. 1	2	Feb. 12
Bk. Hochelaga	Mar. 1	2½	Feb. 15
Bk. Toronto	Mar. 1	3	Feb. 9
Bk. Montreal	Mar. 1	3	Jan. 31
Home Bank	Mar. 1	1¾	Feb. 14
Bk. Commerce	Mar. 1	3	Feb. 13
Bk Hamilton	Mar. 1	3+½	Feb. 15
C. Forgings, pf.	Mar. 1	1¾	Feb. 17
Royal Bank	Mar. 1	3	Feb. 15
Ogilvie, pref.	Mar. 1	1¾	Feb. 22
C.P. Rly, pref.	Apr. 1	2	Mar. 1
Do., com.	Apr. 1	2½	Mar. 1
Dom. Iron, pfd.	Apr. 1	1¾	Mar. 15
Dom. Steel	Apr. 1	1½	Mar. 5
Woods, Mfg.	Mar. 1	2	Feb. 22
Montreal Loan	Mar. 14	3+1	Feb. 28
Sh. Wht., com.	Apr. 1	2	Mar. 21
Do., pref.	Apr. 1	1½	Mar. 21
Dom. Bk.	Apr. 1	3	Mar. 19
C. Steam., pfd.	Apr. 1	1¾	Mar. 15
Wayagamack	Mar. 1	1½	Feb. 15
Wabasso	Apr. 2	1	Mar. 15
Union Bk	Mar. 1	2½	Feb. 12
Can. Permanent	Apr. 1	3	Mar. 15

New Issue

$5,037,000

City of Toronto

6% Bonds

Dated 1st March, 1921 Due 1st March, 1925-1951

Principal and half-yearly interest (1st March and September) payable in Toronto

DENOMINATION: $1,000

Registerable as to Principal

LEGAL OPINION: J. B. Clarke, K.C.

MATURITIES

	Price and Interest		Yield		Price and Interest		Yield
1925	$113,000	Par	6%	1938	$241,000	Par	6%
1926	119,000	"	6%	1939	255,000	"	6%
1927	127,000	"	6%	1940	270,000	"	6%
1928	134,000	"	6%	1941	286,000	100.58..	5.95%
1929	142,000	"	6%	1942	86,000	100.59...	5.95%
1930	152,000	"	6%	1943	91,000	100.61....	5.95%
1931	160,000	"	6%	1944	96,000	100.62....	5.95%
1932	169,000	"	6%	1945	103,000	100.63....	5.95%
1933	180,000	"	6%	1946	108,000	100.64..	5.95%
1934	190,000	"	6%	1947	115,000	101.32....	5.90%
1935	202,000	"	6%	1948	121,000	101.34....	5.90%
1936	213,000	"	6%	1949	129,000	101.36....	5.90%
1937	227,000	"	6%	1950	136,000	101.38....	5.90%
				1951	145,000	101.40....	5.90%

The growth of the City of Toronto is evidenced by the fact that the value of its manufactured products grew from $54,415,498 in 1900 to $499,738,802 in 1918.

Population 512,812

Full particulars will gladly be furnished upon request.

Aemilius Jarvis & Co., Ltd. Jarvis Bldg. TORONTO

A. E. Ames & Co. Union Bank Bldg. TORONTO

Wood, Gundy & Company Canadian Pacific Railway Bldg. TORONTO

NEWS AND VIEWS FOR MANAGERS

NORTH DAKOTA IN A BAD WAY FINANCIALLY

State Credit Shattered And Receivership Has Been Suggested

POLITICS IN FINANCE

A Situation which Should be Carefully Studied by Those Who Propose Government Banks in Canada

The advantages of the Canadian branch bank system are being more and more appreciated in the United States. Floyd W. Parsons, in the "Saturday Evening Post," declares that money is cheaper in Canada than in the U.S. because of the efficient banking system. The collapse of the banking system in North Dakota is responsible for general criticism of the attempts at socialistic financing in that state which should be carefully considered by those who advocate government banks in Canada. Bank managers should post themselves on these developments as providing an effective reply to the critics of the Canadian banks.—J.W.T.

There is a lesson for the radicals of Canadian provincial finance in the latest fiasco of North Dakota banking and finance. American bankers, both East and West, during the week turned down North Dakota's proposed $6,000,000 bond issues, though tempted with a 9 per cent. interest rate.

"It is a significant commentary on North Dakota's situation that efforts to borrow money for the state at 9 per cent. interest have failed, while South Dakota sold $5,000,000 of rural credit bonds bearing 6 per cent. interest in Chicago last month at a premium," declares the New York Times.

"What has been happening in North Dakota is the outcome of political interference with the operations of business and banking," says the New York Journal of Commerce, adding, "banking is emphatically the line of business in which politics or political considerations do most harm and produce dangerous conditions most quickly."

North Dakota's banking misery has been further accelerated with the announcement this week of the 35th state bank failure, the outcome of a situation that bears particular significance in Canada at a moment of proposed class legislation in banking. North Dakota has learned the lesson that seems to face some of our own provinces if they persist in radical finance, that no one state can exist a law unto itself; that sooner or later it must come to a recognition of its neighbor. Its behavior in the meantime must be such that its neighbor will at all times—in feast or famine—be willing to extend the hand of friendship. To-day North Dakota's neighbors refuse to be "friendly" because of North Dakota's behavior; North Dakota's neighbors refuse the loan that North Dakota needs.

"A complete turnover of the State Government and abandonment of the Socialistic program would, it is believed, restore confidence in North Dakota among investors and probably nothing else would do it," comments the Minneapolis correspondent of the New York Times, adding: "That is something which North Dakota would have to work out for herself without outside dictation."

Political Interference

North Dakota's predicaments in business and banking come at an opportune time to warn possible sympathizers with the non-partisan drive in our Canadian West, for North Dakota's banking and business were primarily upset by political interference. The banks are said not to be insolvent in the usual sense, but simply to be carrying long term and overdue assets obtained in the effort to sustain the local farmers during a period of stress. According to others, there is in the North Dakota institutions a good deal of paper, secured by farm products at excessive prices, which can be liquidated only in the event that these products return to their old high-price levels—a most unlikely development. At all events it is clear that many banks in that part of the state have become badly "tied up" and cannot meet their obligations at once. What is the exact status of the state's own banking enterprises and interests there is said to be no sufficient evidence to show.

Though unable to help the State Dakota at this time, word comes from Minneapolis that the bankers there are standing by North Dakota banks, all which are said to be more or less embarrassed by the financial deadlock with the Bank of North Dakota. Predictions are made, according to the New York Times, that the virtual insolvency of the Bank of North Dakota and the closing of the Scandinavian-American Bank of Fargo, N.D., will bring the suspension of perhaps one hundred banks in addition to the thirty-five closed so far.

The elasticity of the Canadian branch bank system becomes more than ever apparent as the result of the North Dakota banking deadlock. "Properly understood," opines the New York Journal of Commerce, "the North Dakota banking enterprise ought to educate the community for years to come in respect to the fundamental principles of credit and its extension."

Receivership for the State

The Wall Street Journal suggests that North Dakota should go into a receivership:

What is obviously needed in the state of North Dakota is a receivership for the state itself. The offer of outside banks, possibly already committed, to finance bonds of the state "bank" is paralleled not by the solvent financing of a well-governed state, taxed reasonably, but by the sale of receivership certificates for a bankrupt corporation which has floundered into enterprise of an increasingly visionary and speculative kind.

On September 25 last our special correspondent in the Northwest fully handled the control of North Dakota by that blatant conspiracy known as the Townley Non-Partisan League. He pointed out the inevitable consequences:

"Every North Dakota taxpayer is now an unlimited partner in a bank which is conducted on lines calculated to make large and devastating insolvency a certainty. This is not to say that the bank is insolvent. But the state of North Dakota is moving towards that condition, and as the Townley league owns the president of the bank (an ex-livery stable keeper), the state officials, the courts and a sufficient number of lawmakers—a condition which makes New York's Tammany under Bill Tweed, in the early '70s, look like the merest petty larceny—it will work out its inevitable conclusion. It is only a question of time."

It was only a question of time—of less than five months, to be exact. Under the auspices of the vociferous Townley and his gang, the North Dakota taxpayer, which means the North Dakota farmer, was carried into enterprises of which he knew nothing. He was exploited in all of them. It is true that Townley knew as little as the farmer about the capable conduct of solvent business. But all he and his confederates wanted was "sucker" money. They had no more concern about the finish of their enterprises than Ponzi, Ferdinand Ward or "Get rich quick" Miller. Accordingly the North Dakota taxpayer was plunged into something euphemistically called "banking," and skinned. He was plunged into flour milling, disastrously. He was indulged in the "independent" marketing of his grain, and milked alike on price and commission. He was taken into a chain-store gamble called "co-operation," and taxed, going and coming. He was fleeced for hail insurance, Bolshevist literature and teaching in schools, public ownership of both public and private utilities, and a complete Socialist outfit.

He has been squeezed dry. If the state Bank of North Dakota, which was not a bank in any real sense of the word but merely a depository of public funds, using liquid assets to finance non-liquid securities, represented the state, as indeed it did, the state is insolvent if the bank is insolvent. Nothing but a virtual receivership will show the North Dakota taxpayer where he stands. When our correspondent wrote, the farmer could have sold his wheat at better than two dollars a bushel, and his own solvency might have enabled him to keep his leaky ship of state afloat. But by his own and the Townley wheat pool the farmer himself is largely insolvent. North Dakota was not, as the Non-Partisan Leaguers so proudly boasted, a laboratory for progress and freedom. It was fooled to the top of its bent. But it can perform a great service to the country in standing as a warning for all time. The receivership for the town of Elizabeth, New Jersey, had an admirable moral effect on city government everywhere. It is to the country's credit

FAILURE OF STATE CONTROL IN BANKING

Liquidation of the Bank of North Dakota means the closing of the only state controlled central bank in the United States. It was organized as the hub of the Non-Partisan League industrial program, with a capital of $2,000,000 and deposits of over $26,000,000, due to its being the depository of all state, county and municipal funds by law. For the last four years it has been the dominating figure in North Dakota banking. Business men have always doubted the ability of a state to carry on a bank, build homes, elevators and mills, and extend extensive credit to farmers without getting into difficulties. During the period in which the Non-Partisan League was in power the bank and the program flourished, but with the failure of its political backing and the inability to sell its bonds it began to totter. Expectations of its failure were common among business men some time ago.

FARMERS WHO SOLD OUT CROPS ARE BETTER OFF

Bankers Were a Factor in Bringing About Liquidation

EXCHANGE HELPED

Gave an Advantage in American Market—Loans Last Fall Were Unusually Large

Branch managers of Canadian banks are so prone to accept their guidance of customers in financial affairs as wholly a part of daily business routine that it will surprise many of them to find the New York Herald this week expressing commendation of the part Canadian bankers have taken in the Dominion's readjustment. The New York Herald article speaks highly of conditions in Canada and indicates its belief that this excellent state is due to the fact more that Canadian farmers seized time by the forelock and sold "while the selling was good" than was the case in the United States.

This international tribute was directly aimed at Canadian bankers, for it was upon their urging that our agriculturists "got from under" with their crop. Appreciation coming from abroad is more than ever acceptable, for it was not easy to foresee conditions six months ahead and at the time the advice to liquidate was not a happy duty that head offices put upon the shoulders of the branch bank managers last September.

The early autumn urgings of Canadian bankers for the liquidation of bank loans was criticized rather widely at the time, but their action has been completely vindicated. Exchange created an advantage which financiers appreciated. Fuller realization of this is given to our Western farmers in the banking and business collapse in the State of North Dakota, where, as the result of wheat hoarding and frozen credits, 36 banks have been compelled to suspend and the farmers are loaded up with farm products, the prices for which have continually slumped since the crop was garnered.

Turning Over the Crop

This year in Canada the early-selling farmer got the price advantage. H. B. Shaw, general manager of the Union Bank, the only one of Canada's banks with head office in Winnipeg, said at the recent annual meeting, "the handling of our crop to date has been on a much more rapid turnover basis than in ordinary years."

This liquidation, the New York Herald avers, put money into circulation, prevented the development of a condition of frozen credits, such as has prevailed in the agricultural and many other areas of the United States.

Commenting upon the New York appreciation, the Manitoba Free Press maintains that liquidation in Canada was in part due to the fact that Canada is a newer country, and that our farmers were compelled in many cases to liquidate, while farmers in the older sections of the U.S. were in a position to hold. In this case, as the Winnipeg paper points out, it so happens that men who had no credit and who were forced to sell are now in a better position, financially, than those men who possessed credit and were able to hold. The Free Press recognizes with its New York contemporary that the advice of Canadian bankers played an important part in clearing the situation.

Unusually Big Loans

While rendering this service of advice the Manitoba Free Press finds that Canadian bankers were ready to make usual advances and indeed, as C. W. Rowley, of the Canadian Bank of Commerce, Winnipeg, emphasizes in an interview, "loans were in fact larger this past fall than in any previous fall in the history of the country. There was thus some credit due to the Canadian banks in this matter. The position of Canada is not wholly a matter of accident."

Mr. Rowley, according to Winnipeg report, stated that the Canadian Bank of Commerce from the early part of the past season, had been convinced that the deflation which had then set in, to some extent, was permanent and that they had advised all their customers, both farmers and traders, to liquidate. Apropos of this Mr. Rowley said that recently one customer who had followed the advice of the bank it would have saved him a very large sum, many thousands of dollars.

Bank advances are still comparatively heavy in the West, but the situation is much better than the early harvest situation indicated would be the case.—J. W. T.

RETAILERS ON ADJUSTMENT OF PRICE QUESTION

Continued on page 9.

with the result that there is a fairly large accumulation of stocks of this nature. But in the fact that stocks generally are fairly well sold out lies the hope for a favorable readjustment in the near future, when buying on a large scale can be no longer delayed. There is little doubt, however, that there will be further declines in some lines before the bottom is reached.

The Building Situation

Babson's Reports, speaking of the course of prices for building materials, states that, with the exception of lumber, post-war deflation in building materials is only of minor volume. It is quite evident that there will have to be further reductions in the lines that enter into construction before building on a large scale will be undertaken. Building returns for the month of January for the larger Canadian centres demonstrated the adverse influence of costly materials, when the results showed construction considerably under the figures for the corresponding month of the previous year. Present prospects point to a very moderate volume of building this year.

The Federal Reserve Board of the United States reviews the situation on the other side, and points out that while the process of readjustment is not yet complete it has proceeded far enough in a number of branches of business to prepare the way for new constructive work. The better outlook, it is pointed out further, for business generally has been paralleled by a decided improvement in financial conditions.

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CROWN LIFE INSURANCE CO., TORONTO
Complete Report will be mailed on request. 87

THE LONDON MUTUAL FIRE INSURANCE CO. OF CANADA, TORONTO

DIRECTORS' REPORT

To the Shareholders and Members of the London Mutual Fire Insurance Company of Canada

Your Directors submit herewith the Sixty-First Annual Statement of the Company's affairs, showing Assets and Liabilities as at December 31st last, and Income and Expenditure Accounts for the year 1920.

The Company's business has, during the course of the past year, made wonderful progress, and the results of the year's trading have been very satisfactory.

The Gross Premium Income, less cancellations and rebates, was $975,395.79, being an increase of $270,386.25 over the previous year. The net premium income, after deducting reinsurance premiums, was $625,001.76, an increase of $99,817.71. The gross losses were $407,696.63, being 41.8% of the gross premiums. The net losses were $258,319.33, being 41.3% of the net premium income.

The Bonds and Debentures owned by the Company are shown in the Statement at their book value of $480,438.02, an increase of $109,964.39 over the figures shown at the end of 1919. The valuation of these securities on the basis of the values authorized by the Insurance Department at the 31st of December, 1920, is $27,765.81 greater than the value shown in the statement.

Your Directors wish to place on record their appreciation of the loyalty to the Company shown by its Agents, and of the efficient service rendered by the field and office staffs, which have produced such excellent results.

All of which is respectfully submitted.

February 12th, 1921. A. H. C. CARSON, President.

BALANCE SHEETS

December 31, 1920

ASSETS

Bonds and Debentures		$480,438.02	
Mortgages Receivable		10,400.00	
Due by Reinsurance		88,691.49	
Interest Accrued		6,773.11	
Agents' Balances		92,347.66	
Sundry Accounts Receivable		3,932.80	
Cash on Hand and on Deposit		110,280.09	
			$ 792,863.17
Office Furniture, Goad's Plans, and Automobiles, (Toronto and Montreal)	$ 31,499.41		
Less Reserve for Depreciation	21,499.41		
		$ 10,000.00	
Real Estate and Buildings	$166,576.22		
Less Reserve for Depreciation	9,076.22		
	$157,500.00		
Less Mortgages and Interest Accrued	15,285.87		
		142,214.13	
			152,214.13
Contingent Portion Premium Notes			*138,827.77
			$1,083,905.07

LIABILITIES

Unadjusted Losses	$ 14,031.70	
Government Taxes Accruing	15,000.00	
Held on Account of Reinsurance	264,569.81	
Sundry Accounts Payable	846.94	
Provision for Agents' Bonuses	3,500.00	
		$ 297,948.45
Reserve for Reinsurance, Full Government Standard		421,428.65
Provision for Dividend		2,750.00
Capital Stock Paid-up	$ 19,250.00	
Surplus Account	203,700.20	
Cash Surplus to Policyholders	$222,950.20	
Contingent Portion of Unassessed Premium Notes	138,827.77	
		361,777.97
		$1,083,905.07

*In addition to the above there is on hand $83,346.85, being portion of Premium Notes subject to assessment during the next two years.

INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDING DECEMBER 31, 1920

To Losses	$407,696.63	
Less Salvage and Reinsurance Recovered	149,377.30	
		$258,319.33
To Commissions, Agency and Management Expense, etc.		255,252.82
To Amount written off Office Furniture, Goad's Plan, Automobiles and Real Estate		18,108.10
To Improvements to Head Office Building		9,041.14
To increase in Reinsurance Reserve		86,853.44
To Balance carried to Surplus Account		18,325.07
		$645,899.90

By Gross Premiums		$1,103,470.60	
Less Cancellations and Rebates	$128,074.81		
Less Reinsurance Premiums	350,394.03		
		478,468.84	
			$625,001.76
By Income from Interest, Dividends and Rent		$ 20,791.54	
By Sundry Income		106.60	
			20,898.14
			$645,899.90

CERTIFICATE

We have audited the books of the London Mutual Fire Insurance Company of Canada for the year ending December 31, 1920. We find the books to be in order and all the information asked for has been cheerfully given.

Our examination has included the Cash and Bank Books; Premium Registers, Agents and Branch Balances and the securities held by the Company.

We certify that the annexed Balance Sheet is in accord with the books and in our opinion is a full and fair statement of the position of the Company on that date.

EDWARDS, MORGAN & CO.,
Chartered Accountants.

February 4, 1921.

THE FINANCIAL POST

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FEBRUARY 25, 1921

MUST PUT CARDS ON THE TABLE

IT is fortunate that the British Empire Steel Corporation as originally conceived is dead; the investing public could not stomach some of the units in the first conception. There will be a disposition, however, to support the proposed new amalgamation in so far as the consolidation of Dominion Steel Corporation and Nova Scotia Steel & Iron Company are concerned. The fusion of these two great industries would appear to be not only beneficial but almost necessary for technical reasons in order to develop in concert to a far greater extent than has been done in the past the enormous coal areas tributary to them.

The public attitude towards the inclusion of Halifax Shipyards, Limited, however, will be more critical. Not only is the need for this company in the merger not at all obvious, but its chief weakness is that some of those looked upon as the leading shareholders of this company are regarded also as among the leading spirits in the merger proposal. This savors a little of the family compact element in the original merger that repelled the average investor. It is not unfair to state that the association of Dominion Steel and Scotia and Canada Steamship Lines with that merger reacted very decidedly in the public estimation to the disadvantage of the securities of the three companies themselves.

It will be necessary now, in order to restore public confidence and enlist support, for those formally connected with the triple merger to display more frankness than marked the first attempt at a merger. The British Empire Steel Corporation cannot afford to risk again the resignation of a group of able directors from any of the constituent companies through being refused information that they were perfectly right in insisting upon having. Information unstinted will be called for; the cards must be thrown face up on the table; they were not before.

MAINTAINING BANKING EFFICIENCY

"THE price of money is materially lower in the Dominion than is money here in the United States, which condition is a tribute to Canada's good banking system," writes Floyd W. Parsons, in the *Saturday Evening Post.* The statement by such a widely recognized authority on world business and finance as Mr. Parsons is significant not only because of the periodically recurrent high money rates in the States but because of the financial crisis in North Dakota where experiments in banking have led to such a situation that the Wall Street Journal is suggesting that the State go into a receivership.

The strength of the Canadian banking system is in the wide ramifications of the chartered institutions and their ability to transfer cash resources immediately to any point where they may be required or used to best advantage. This mobility has enabled them to control their loans on the basis of supply of money rather than of demand for it. Borrowers are treated in accordance with their needs in relation to the general trade and business situation rather than on the basis of what they may be willing to pay. The result is that credits can be curtailed gradually in relation to money supply and the danger of a crisis averted without having to advance money rates until demand is checked simply because the borrower is unable to pay the rates.

But the question may very well be considered whether the banks in Canada will be able to continue this efficient service with low interest rates if the tendency to undermine their position and divert their funds to other purposes is continued. Not only are the mortgage companies actively campaigning for funds in Canada now that outside funds are difficult to obtain but provincial governments are going into the loaning business and in some cases into the banking business. At the same time, while of course government ventures pay no taxes, the increasing of taxation burdens on the banks is popular with budget framers.

THE FINANCIAL POST believes that the government ventures into the banking field will fail in Canada as they have in North Dakota and elsewhere. Closer practical cooperation between the banks and the farmers may be possible and undoubtedly there will be amendments proposed to this end when the Bank Act is again up for revision. However, such statements as those of Prof. Jackman that the farmer cannot get longer loans than three months from the banks and of Geo. Prout that the banks have not lost a cent on the Rural Credits scheme in Manitoba are not to be taken seriously.

The great majority of farmers who have had dealings with the banks know that the three months' renewal is of farmers who have been carried for years and in parts of Western Canada this has been done with recurring increases rather than decreases of the total. In Manitoba there is still about a third of the $900,000 advanced under the Rural Credits Act in 1917-18-19 which has not been returned to the banks and, with other accounts since transferred to the government, the total outstanding would perhaps be raised to one-half the original loans.

An efficient banking system is essential to the material well-being of any country. Canada's stands second to none. Let us see that it so continues.

PUBLIC OWNERSHIP AND TAXES

IT was to be expected that Sir Adam Beck, as chairman of the Hydro Electric Commission, would object to the unanimous proposal of the special legislative committee, representing all parties in the Ontario House, that the public ownership power enterprise should pay its municipal and other taxes like private corporations. The report of the committee is in agreement with all authorities on the subject of taxation and with the recognized principles of good business.

The Hydro chairman sums up his objections by declaring that the commission is selling its product at actual cost and, therefore, "if you tax us you take your money from one pocket and put it in the other." True, perhaps, but it seems much better to have more than one pocket—a Hydro pocket, a municipal pocket and a provincial pocket. Besides there would then be assurance if taxes were paid that the sum involved was not being used to cover up public ownership inefficiency in competing with well managed private corporations which are able to pay their taxes. Surely Hydro should be able to pay its way and still compete with private power developments when the latter in addition to paying taxes must impose rates which will in addition provide those "enormous profits" which the investors are supposed to harvest.

FALSE ECONOMICS FOR THE PUBLIC

THE "platform and newspaper economists" who are directing public opinion into a "realm of fantastic generalities" and ignoring the simplest rudiments of economic fact in dealing with the great issues of the day received the pointed criticism—just a little tinged with sympathy—of S. K. Ratcliffe, representative in America of the Manchester Guardian, in an address before the Toronto Canadian Club this week. The spirit in which his remarks were received in this connection indicated that the reference to half-baked theories on matters of commerce, finance and public affairs by many newspapers and platform performers was appreciated by the audience of business men.

Mr. Ratcliffe referred particularly to the situation in Europe. There were in his opinion altogether too many of the Horatio Bottomley type who had a certain public following and who declared on the one hand that the Allies should demand every last cent of indemnity from Germany, and that at the same time not a farthing should be spent for German goods. The simple economic principle that nations could only meet their debts through trade and commerce was ignored. The result of such tactics was that public opinion was divided into many factions on social, commercial questions, political questions. The great problem of Europe would only be solved when there was recognition of the fact that all the various phases of the situation were co-related and must be dealt with under one general policy.

What Mr. Ratcliffe says of England and Europe is general throughout the world. The war has been followed by a state of unsettledness in which political adventurers and socialistic quacks are leading the people into many blind alleys. Safety lies in the hope that the common-sense of the average Anglo-Saxon will continue to leaven the mass of public opinion at home and set an example abroad in the future as it has done in the past.

EDITORIAL NOTES

ANY ONE who is not taking his full share of the losses entailed by deflation is as difficult to find as was the "profiteer" of yesterday.

* * *

FIVE hold-ups in Stratford resulted in net earnings for the footpads of $16.75. Such results will tend to drive gun artists back to common labor.

* * *

THERE has been much ado at London about a reference to the United Farmers' Government in Ontario as a "bunch of farmers." What is the deadly insult? Surely it cannot mean that there is any truth in these rumors about "profiteering" in agriculture?

* * *

HOW LIKE Sir Adam Beck to ask permission to discuss informally with the members of the Ontario Legislature the recent report on the question of Hydro taxation and rates and then talk for two hours on almost every other phase of the power situation but that dealt with in the report.

* * *

WITH an estimated loss of $168,000 on housing schemes in 1919, Toronto City Council has wisely decided, despite the desire of Mayor Church to put in another $1,000,000, to vacate a field of activity which it should never have entered. Municipal paternalism has proven a failure when it comes to building homes.

* * *

THE proposals of the Drury Government to increase Ontario's revenue do not entail any assessment on the farmers. However, in this it cannot be argued that a departure is being made—Liberal and Conservative governments have generally followed the same policy. "What they have we'll take" seems to be the motto of budget framers, and big business suffers accordingly—that large totals represent the small funds of many individuals is too often forgotten.

* * *

LLOYD GEORGE is wisely asking the co-operation of the banks in establishing credits for the benefit of European trade rather than endeavoring to establish government banks in opposition. Governments should only do those things which they can do better than they can be done by

Professor Mavor on the Problems of Readjustment

Important Phases of the Economic Confusion in Europe —Individual Enterprise Must Be Encouraged

By PROF. JAMES MAVOR,
In the "Wall Street Journal."

Any attempt to analyze the economic confusion of Europe must take account of the following principal conditions:

First: Inflation of the currency of every country in Europe due to forced issues during the war.

Second: Actual diminution of tangible wealth due not merely to military destruction, but to the cessation of replacement and repairs upon the mechanism of industry and transportation.

Third: Disorganization of the domestic industry and commerce of every nation due to interference of governments through emergency legislation.

Fourth: Increase of national budgets through advance of prices due to various causes, involving increase of taxation.

Fifth: Increase of the external debt of several of the European countries.

Sixth: Demoralization of international trade due to interferences and direct action by all of the governments, European and other.

These conditions have altogether produced the following effects: International exchange has been demoralized, the normal movement of commodities has been disturbed, industry and commerce have alike become precarious and industrial discontent has followed violent fluctuations of employment. Over a large part of Europe, including Russia, disorganization of the supply of necessary commodities is so great that many billions of people stand in imminent danger of famine. Customary methods of supply have been disorganized or destroyed and no other methods have been devised to take their place.

The concentration of masses of population in cities and interpendence of urban and rural populations were consequences of the development of railways and of domestic and external trade and these in turn were consequences of growth of capital, of increased economy in the utilization of capital and of the organization of credit. The war has not smashed the capitalist system but it has staggered it, as it would have staggered or smashed any conceivable system.

The World As It Is

The system of capitalism is an organic growth, deeply rooted in fundamental human motives and even the war could not destroy it. The only hope for the world lies in the certainty that if this organic growth is suffered to live, it will resume its full service to humanity. No extended argument is necessary to show that the above mentioned conditions and consequences have alike not been merely incidental to the capitalist system. Given a state of general war, the same phenomena would have made their appearance under any economic system—under one of individualistic capitalism pure and simple, co-operative capitalism, which is the current system, state socialism or any known variety of communism.

It is true that in a world of perfectly self-contained small groups, absolutely isolated and wholly unrelated to one another, neither the war nor its economic consequences might have occurred. Such a world does not exist. Given the intimate touch between communities that has been the consequence of centuries of growth in population, of growth in science and of increase in human comfort and wellbeing in spite of the growth of population, the wide economic reactions of the war were wholly inevitable.

The Destruction of Russian Capital

Very little is accurately known of the actual condition of the mass of the Russian people at the present moment, but there seems no reason to doubt that the attempt to impose upon them a thorough going system of communism has not been successful. It may be true that Russian capitalism has been destroyed, but it does not appear that the attempt to replace it either by a system of state socialism or by a system of communism has resulted in anything but a serious diminution of the means of life for the mass of the population. This is indeed the conclusion at which on a priori grounds all serious economists had arrived at the inevitable consequence of an attempt to impose either state socialism or communism upon any people.

It would not be surprising if, on cool examination of all the available evidence, the quasi-state socialism imposed upon practically all of the belligerent nations during the war were found to be the primary cause of the long delay in liquidating the immediate consequences of the war.

The Incubus of Officialdom

Interferences with prices, with supply and consumption of commodities with movements of capital, with reserves of private economy, and with smooth working of the system by means of which through spontaneous action of innumerable groups the needs of mankind were satisfied; but have bred a reliance upon governmental action which has burdened the governments of all countries with obligations that with the best intentions in the world they could not find administrative agency adequate to implement. As it is, the immense increase in governmental functions has thrown upon the taxpayers the maintenance of vast armies of functionaries imperfectly trained and imperfectly supervised, a condition which has not only intensified bureaucratic control but has also resulted in highly ineconomical rendering of services previously rendered voluntarily and in case of failure at the risk of individuals or of mutually associated groups.

Currency Inflation

The conditions which have been enumerated seem to require some elucidation.

First: As regards inflation of currency, it is to be observed that the mass of specie upon which the currency of the world depends for its solvency has been subject to a considerable increase. The visible gold reserves concentrated in the various treasuries and national banks have been doubled since the year 1913. This circumstance might be held to justify a large increase in paper currency without the imputation of inflation but it cannot be denied that the aggregate amount of currency far exceeds any such justifiable increase. The problem is how is the currency to be deflated? Experience in the past has shown that this process must take place gradually. Deflation by means of repudiation would not solve the problem; it would only distribute the loss unjustly and would bring grave reactions in its train.

Deflation by Taxation

Only the gradual withdrawal of government paper and abstention from fresh issues can be regarded as the sound method. This gradual withdrawal can be accomplished through the system of taxation. The colossal budgets of the European nations must remain colossal for a long time. Gradually, however, they may be reduced by cancellation of Government paper. There is no difference in principle between a treasury note issued with definite date for payment, as six months or twelve months, and a treasury note issued without definite date. The equivalents for these various notes have equally been obtained when they are returned to the treasury, they are ipso facto cancelled. If they are paid in as payment for taxes, they simply mean that the government in question has anticipated its tax receipts. Reissue of paper money so received would simply mean that another forced loan was being effected.

Successive issues of this paper constituted forced loans and the cancellation of the paper means simply the replacement of these loans. So soon as the forced currency is withdrawn and cancelled or is paid in to the treasuries as payment for permanent debts, the value of the permanent debts will be re-established. In order, however, that this process may go forward without interruption, it will be necessary rather to extend than to restrict effective private credit. Only thus can the productive powers of any nation be stimulated and the amortization of debt accomplished.

Credit and Capital Replacement

Second: The replacement or repair of durable forms of capital must occasion a demand for materials and labor. Whether or not this demand is effective must depend upon the possession of liquid resources or upon the extension of credit. One of the problems of the moment is how to render this demand effective in the case of those nations whose liquid resources have been reduced and whose credit has been impaired. Credit may be re-established by evidence of stability of political conditions as a primary and by economic conditions as a secondary essential. For instance, however insistent the demand on the part of Russia for material for re-equipment of her worn out railway system, that demand must remain wholly ineffective unless she can produce evidence of political stability and of economic soundness. The same observation applies to Austria.

So far as Germany is concerned, she appears to have attained at least relative political stability and her economic soundness does not appear to have been seriously impaired. Material change in this second condition can thus be expected, so soon as the political and economical situations justify confidence in the extension of credit.

Any country in which the spirit of revolution is strong must therefore inevitably be left to work out her own salvation as best she may. She cannot count upon assistance from any external source to re-establish her economic soundness. No country can obtain credit from the world of capitalism and at the same time take such action as might undermine it.

Individual Enterprise Better.

Third: The resumption in its full vigor of capitalistic enterprise and interference with that resumption on the part of governments are mutually exclusive. The day of emergency legislation is over. Either governments must assume the role of organizing supplies for the needs of their populations or they must leave this role to those who will play it spontaneously if they are allowed to do so. Profits must be taxed—indeed surplus earnings constitute after all the only continuous source of taxation. If the earnings of profit is prevented on the ground that profit is an evil thing, [illegible] revenue must be found. The only possible source is a levy upon capital which could not in the nature of things afford a continuous revenue.

Government Reductions

Fourth: The increase in the national budgets must be checked by the most severe economy in public administration. The hordes of civil servants must be reduced and the ineconomical rendering of services by the governments must be abandoned. Unless this is done by those nations which have gone to excess in enlarging the functions of government in the industrial sphere, there can never be any prosperity—national or international. Governments that involve their people in the payment of continuous deficits on national railways or other similar enterprises must inevitably suffer a decline of credit not merely on public but on private account. The same is true of ineconomically conducted municipal enterprises.

Debts Are Strangulation

Fifth: The payment of excessive external debt is a prime necessity for any country which aims at independent national existence. The political embarrassment of huge external debt may be illustrated by the case of Turkey and China whose finances have for a long time been administered by foreign authority and their independence thereby irretrievably compromised.

Sixth: The resumption of the smooth movement of commodities between nations depends upon the removal of at least some of the conditions above described. There is a huge inconsistency in insisting upon selling to a nation and in refusing to buy from it. Fiscal questions apart, trade cannot be one sided. Ships come in ballast and go away loaded. Such an international trade cannot endure. Much of the legislation of these last days—legislation from which even free-trade England has not been exempt—cannot be carried into effect without prolonging the period of international disturbance. If people want to import, due regard being had to necessary or expedient customs duties, they should be permitted to do it; if they are not then international trade cannot proceed vigorously.

Reparation and German Exports

The upshot of these observations is that until the conditions enumerated begin to be altered, there cannot be any prospect of normal trade—either domestic or international. Even when this beginning occurs, there must remain for a long time as a material factor the economic effects, which must inevitably be very widespread, of the payment to the Entente Powers of the war reparation by Germany. The perplexing problem of how German exports for reparation purposes can be continuously effected without corresponding imports must remain as a cloud over international trade during the next generation. There have been cases of indemnities in the history of war; but never before did a reparation form so large a proportion of the net total annual product of a nation's industry, not to speak of its exportable surplus. What the effect of the annual payment of it may be upon the trade and upon the financial relations of every country in the world remains to be seen.

PERSONALS

W. P. G. HARDING, governor of the Federal Reserve Board, it is reported, will resign after March fourth for the purpose of taking the presidency of the Foreign Trade Financing Corporation, now in process of organization.

DR. R. F. RUTTAN, head of the Department of Chemistry of McGill University, has been appointed to succeed Dr. A. B. Macallum as Administrative Chairman of the Honorary Advisory Council for Scientific and Industrial Research. Dr. Macallum some months ago accepted the chair of Bio-chemistry at McGill.

P. M. STEEPER, of Toronto, has recently entered the service of the London Mutual Fire Insurance Co., of Canada, with head office in Toronto, and will take over the managership of the casualty department. Mr. Steeper has had twelve years experience in casualty insurance in the offices of the Ocean Accident and Guarantee Company, and the Norwich Union Fire Insurance Society.

CURRENT OPINIONS

RETURN OF INTENSE COMPETITION
First National Bank in St. Louis

There is every indication that intense competition will again become a matter of paramount importance in the business world. The reaction from the period of big profits, high costs, and easy sales is likely to be revolutionary in its ultimate effects. The world-wide destruction of capital must be made good and this can only be accomplished through efficient business methods. The demand for goods will be upon an entirely different scale and upon a new basis. The buyer will no longer be in such urgent need for goods that he will pay almost any price. Cost and quality will replace speed and quantity production. The question of fair value will again resume its former place of importance in selling goods. The future of the business man today depends upon his ability to reorganize his business from its war basis of speed and quantity production to a basis of low cost and quality production.

BRITISH TAX REFUND

Editor, The Financial Post.

Sir.—By a concession granted under the Finance Act, 1920, all British subjects resident in the colonies or abroad are granted the right of reclaiming British Income Tax. Those who derive taxed income, such as dividends, rents, annuities, etc., from the United Kingdom, can now recover the whole or part of the tax deducted. If dividends or interest are received "free of tax" a claim for refund can still be made.

I have for many years interested myself in this subject and have constantly advocated that this concession should be made. I shall be pleased to advise, without charge, any of your readers who care to write to me as to whether they have a claim for repayment and if so, how it should be prepared.

WILFRED T. FRY.

The Investor's Accumulation Period

The chief characteristic of the present investment market is the immediate absorption of all the highest class of investment offerings at the ruling rates. There is a general realization that the extraordinarily high rates now available are gradually disappearing.

The present yields, as compared with pre-war yields, are still excellent. A few comparisons will indicate the extent of the present opportunity: —

	Approximate Yield July, 1914.	Present Yield.
Province of Ontario	4.34%	6.00%
Province of Alberta	4.76%	6.10%
Province of Saskatchewan	4.71%	6.10%
Province of Quebec	4.34%	6.00%

A much similar ratio holds with all City, Town and other Municipal issues.

Such rates, as compared with pre-war yields, demonstrate how decidedly the present is the accumulation period for the far-seeing, wide-awake and shrewd investor.

Copy of the new investment list, giving a wide range of Government and Municipal issues, forwarded on request.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

B. C. FISHING

Fort William—Would like your advice regarding B. C. Fishing as an investment.

As a business man's investment we would recommend B. C. Fishing. This company is engaged in an important Canadian industry, and we are assured that the outlook for the continued successful operation of this concern is bright. Dividends have been steadily met for some years, and at the present rate of 6 per cent. this stock offers a substantial yield. This security has never been a popular feature, but we believe that it contains the elements of a good speculative investment; a high yield, with fair prospects of appreciation, when market conditions are satisfactorily readjusted.

GORDON, IRONSIDES & FARES

H. R., Sherbrooke.—I would be glad to have any information regarding Gordon, Ironsides and Fares bonds and if they have a sinking fund, and if there is any chance of my losing any money in holding same. Do you think that eventually they will pay the coupons that have been returned unpaid?

Gordon, Ironsides & Fares Company, Ltd., is an old established concern in Winnipeg but in recent years it has been only a holding concern following the formation of Gordon, Ironsides & Fares Packers, Ltd., in 1918 when an arrangement was made with Eastern packing interests, the Harris Abattoir Company, Ltd., to take over the operation of the plant.

Our advices from Winnipeg are that the bondholders' outlook depends entirely upon the conditions which may prevail during the next couple of years. The company may not be able to pay interest for some time but the holders of the bonds should eventually come out all right. Conditions in the packing industry have recently been unfavorable but it is reasonable to look forward to better things.

BROMPTON PULP AND PAPER

Fort William—What is your opinion of Brompton Pulp and Paper as an investment?

You probably have noticed that the market quotation on Brompton prices of newsprint have been adjusted on a lower basis for the second quarter of the year, and this has had the natural effect of depressing the stock. Market sentiment on behalf of this security inclines to pessimism, and several brokers have remarked to us that they can see but little merit in the paper securities. They contend that prices of paper commodities have been unnaturally buoyed up, and are due for a heavy fall; that production is rapidly overtaking demand; and that heavy stocks are accumulating in the various companies' warehouses. Just how much truth there is in the latter statement we are not in a position to determine, but there is no doubt but that competition in the field is rapidly growing keener. As a permanent investment we are doubtful whether this security would prove as satisfactory as the preferreds of some of the other companies with more stable market prospects.

GOULD ROTARY MACHINE

A. S. T., Toronto.—Would like your opinion of the Gould Rotary Sewing Machines.

Recent information regarding the Gould Rotary Sewing Machines, Ltd., indicates that the company is not as yet manufacturing but has entered into negotiation for selling foreign patents for considerable sums. It is a difficult matter to estimate the company's actual condition. The assets are composed principally of patent rights for the Gould machines. There would seem to be sufficient capital available for ordinary requirements.

MONARCH TRACTORS

Enquirer, Everett.—Kindly give me all the information you can on the stock of the Monarch Tractors, Ltd., Brantford.

The Monarch Tractors, Limited, was incorporated in Canada in January, 1918. The plant is located at Brantford and has a daily capacity of 6 tractors. The authorized capital of the company is $500,000 common and $500,000 7 per cent. cumulative participating preferred, of par value $100. Of the outstanding common, $400,000 is owned by the General Tractors, Inc. The preferred stock has preference as to assets as well as dividends up to 7 per cent. and shares equally with the common in further dividend distributions after 7 per cent. has been paid on both classes. The preferred stock is subject to redemption at 105 after 1923.

A DEAL IN OIL

G. N., Toronto.—I bought 600 shares in Allied Oil through a stock broker and received the following account:

600 Allied Oil at $15	$ 90.00
Toronto Brokerage	6.00
New York Brokerage	12.00
Exchange	14.50
	$122.50

Is it lawful to charge 18 per cent., when it says plainly subject to the rules of this exchange upon which the order is executed?

We are of the opinion that the brokerage charges in connection with this transaction in Allied Oil have been excessively heavy. The New York broker with whom the local broker dealt was entitled to 2 per cent. of the amount of money involved in the deal where the stock is valued at $1 or less per share, and not 2 cents a share. In this case the New York broker should have collected only $1.80, and the Canadian broker, if he had no New York connection, would be entitled to another 1 per cent., or 90 cents for his trouble. The gross brokerage fees should not be therefore greater than $2.70. The exchange charges appear to us to be fairly satisfactory. You would be entitled to a premium on your funds when you dispose of your stock in New York.

K. & S. TIRE

E. C., Toronto.—I have been asked to invest in the 15 year 7 per cent. sinking fund 1st mortgage bonds of the K. & S. Tire and Rubber Goods Company, carrying a bonus of 50 per cent. in common stock. Do you look upon it as a good investment?

The new bond offering of K. & S. Tire & Rubber Goods Co., Ltd., of Toronto, appears like a very fair speculative investment. This company manufactures a wide range of rubber goods, including a variety of druggists' accessories, and for this reason it is probably in a more favorable position to weather the present period of industrial depression. The company, we understand, has enjoyed a very fair business. The rubber companies generally have of course passed through a very trying time, but there is now some indication of a revival in business. It may be questioned whether it would be advisable to purchase stock of this nature, which undoubtedly is of a speculative nature at a time of industrial uncertainty, and especially when there are many gilt-edged securities offering, but for the investor who can afford to wait with a reasonable chance of a profitable return this security may be regarded favorably.

PACIFIC OIL

J. B. W., Nova Scotia.—I hold 30 rights to buy Pacific Oil at $15 per share and do not know what the rights are worth or value of the stock. Would you advise me to buy or sell?

We believe that you would be well advised to exercise your rights in connection with Pacific Oil, and buy at $15 a share. This security is selling on the New York curb at around $30 a share. Would suggest that you get in touch with a reliable broker in Halifax, who would be glad to handle your business for you.

RSC INVESTMENT SERVICE

The Business Outlook

for 1921 is discussed clearly and briefly in the current number of *Investment Items*.

Reasons are given why Canadian business men should face the coming twelve months with confidence and optimism.

Every business man and investor should read *Investment Items* regularly.

A letter, or a postal, will add your name to our mailing list.

Royal Securities CORPORATION LIMITED

32

MONTREAL

Toronto Halifax St. John Winnipeg Vancouver New York London, Eng.

The Wages of Mechanics are The Wages of Statesmen

Boys Who Drove Rivets During the War Earned at a Higher Rate Than the Ministers of the Crown —What Is the Answer?

By AGNES C. LAUT.

I was waiting for a midnight train on the Pacific Coast in September, sitting with my head against the high backed seat of a Canadian National station. Two boys, who had evidently came up from an American ship plant on the Pacific Coast, where they had worked as steel riveters on a San Francisco ship for the American Shipping Board, were sitting with their heads against the reverse back of the same seat. I gathered they were going East through Canada to a plant on the Atlantic Coast because the Canadian exchange on their American money would positively pay their fare East. On the same train was an old gentleman from San Francisco with American drafts for $5,000. He explained to me the exchange would practically pay his fare to his old home down East.

I had just been reading a protest in a Canadian paper against the Canadian Cabinet members voting themselves an increase of salaries from $7,000 and allowances to what will amount to about $12,000 with allowances, when my ears were arrested by the conversation of the two boys behind me, neither of whom was over twenty-six years of age.

The Wages of War

"How much do you reckon you knocked down during the war?"

"Gosh, that is hard to say, enough to quit now if I want to, or to set up in business for myself. As long as we were only building for the Allies it was easily $100 a week, $150 if we put in overtime and Sundays; but you bet when we went into the war and we were put on piece work for speedup with bonuses to the fastest riveters it was a dead cinch. I don't know, but I can tell you from my pay-time check book here what we knocked down for two months before the armistice. The boss had been across to look over the firing line. When he came back word was passed down the line the war would not last three months. We had contracts to get the tankers off the stocks before spring and bonuses promised if we could beat time. Say—did we beat time to get those tankers off so the Shipping Board would have to take them over, and not throw them back on the Oil Company's hands? The last week before the armistice, B— and I put in all overtime we could and knocked down $60 a day easy. I would say the last three weeks we were on those tankers we knocked down easy $40 a day straight, seven days a week—" and the other boy began giving his experiences almost parallel.

"I pricked up my ears. Forty dollars a day would be $280 a week. Knock off $80 for exuberant exaggeration—and yet it didn't sound like boasting—it was figures from wage books they held in their hands as they compared notes week by week for periods covering two years, with slack periods during the storms of one winter, when steel supplies were held up by storm-bound Eastern freights.

Big Salaries for Boys

"At $200 a week for the two years in which the United States were at war these boys had earned $10,000 a year. Why not? No why not. I am glad they earned it and did not slacken up production, but I could not help but recall the first address given by Mr. Gompers, when he returned from the Peace Conference and addressed the New York Civic Federation at a public reception to him. He declared, with a dramatic sob in his voice, that never would labor remit the advantages it had gained by its heroic sacrifices in the war. I was a little vague as to what he meant by "sacrifices in the war," but the declaration was awarded salvoes of applause in which I joined.

Yet $10,000 a year for boys of twenty-six was more than Canada paid her Cabinet ministers; as much as Canada paid any governor of her provinces; more than any Western State but three pays its governor.

Wages had just been raised on the railroads and it was shown by a table of comparison that engineers were earning more than bank managers, college professors, mine superintendents; that yard men and track workers were earning more than teachers, preachers, bookkeepers, bank cashiers, lawyers, trade superintendents in retail stores and export business.

Why not?

No why not, only I like facts.

A Matter of Comparisons

Either the statesmen and the professional men are being paid too low, or the mechanic was being paid too high; for the hours of the former are limited only by their physical strength; and the hours of the latter are limited—in many cases by law—to eight.

Here are some wage scales I took down in my note book as I crossed and recrossed the continent.

Paper makers, 80c to $1.37 an hour. Average age, twenty-one.

Track repairers, $5 a day. Average age, twenty-two.

Lumbermen, skilled, $8 to $11 a day.

Miners, skilled, $8.50 to $33 a day.

Shipyard workers, $8 to —? a day.

Longshoremen, 80c to $1 an hour.

Teamsters, $1 an hour.

Unskilled threshers for farms, $6 to $9 a day.

Tractor men for farms, $8 to $12 a day.

Engineers on railroads, in mines, in lumber mills, $200 to $385 a month.

Gold, silver and copper miners, $8 to $11 a day.

Oil drillers, $8 to $13 a day.

I don't object to these high wages, but I am stating them. I want to know which end of our social structure is top heavy; for the top heavy end is the one that turns a somerset. Also I want to know why men like Sir Thomas White and Sir Lomer Gouin exchange jobs at $7,000 and $10,000 a year for jobs at $40,000 a year in private life. If we don't get good value from our statesmen is it our fault or theirs? When we lose our Clifford Siftons from public life to see them make fortunes in private life should we start our mud-slinging at them, or ourselves? And if you put up the beautiful theory that public men should give their services free as Sir Somebody Kemp from Toronto did, does the same thing apply to labor? Will that theory pay off a sheriff's attachment for unpaid bills tacked to a man's office door? McAdoo will tell you theories don't satisfy a sheriff; for he got out of politics and went into private life because he could not longer afford to be a patriot; and not a hundred miles from Ottawa were some Cabinet ministers who didn't pay their income taxes because they hadn't the money left from food, rent and clothes to pay them.

I simply want to know whether we should pillory our statesmen for meekly and fearfully asking a raise of pay for their jobs?

THE COMING BIG CITIES OF THE WEST

Editor, The Financial Post:

Sir:—The article in your recent issue by Agnes C. Laut, "The Coming Big Cities of the Canadian West," I read with interest. It appears to me as though this lady rode on the C. P. R. main line from Winnipeg to Calgary. I come to this conclusion because the future of the cities on this line is extolled whereas the places off that line are passed by with the brief mention—"I leave Saskatoon and Battleford and Prince Albert out of these categories because high as taxes are in one of these cities and low as bonds have fallen in another, they never laid out areas for a prospective Chicago. Saskatoon never had a boom at all, in the wild proportions of other booms. It grew rationally and naturally."

I have for the past 10 years made frequent trips to the West and have just returned. Saskatoon owing to its being the geographical and railroad centre of the west (look at any map) will certainly be one of the big cities of the west and I am quite frank in saying that it is my opinion that it will be the biggest city in the Canadian West between Ontario and British Columbia. Saskatoon credit is high. Its taxes are no higher than other places though I understand that owing to partial adoption of the single tax system the owner of vacant land is penalized but no doubt in time this error will be corrected as it has been in other places. The financial condition of Saskatoon is the equal of any other Western city and better than most. There are two reasons for this: (1) the city was not old enough to have a big spending era and (2) for the past 7 years its finances have been ably handled by Commissioner Yorath who has recently accepted a similar position in the city of Edmonton.

Saskatoon is the metropolis of a large productive agricultural area. It is far enough from other cities that it has the field largely to itself. When one considers that Saskatoon is on the main line of the G.T.P. from Winnipeg to Edmonton, 475 miles from Winnipeg and 326 miles from Edmonton; on the main line from Winnipeg to Edmonton of the Canadian National, 482 miles from Winnipeg and 350 miles from Edmonton; on the main line of the Canadian National from Calgary to Winnipeg, 482 miles from Winnipeg; that it is on the direct route of the C.P.R. from Winnipeg and 348 miles from Edmonton, and in addition to all these main lines there are other branch lines, it is the railroad centre of the West, with such a start it is difficult to imagine it will not grow to a large city.

The C.P.R. shops are now located at Sutherland, a suburb of Saskatoon. The C.N.R. purchased a large tract of land at Saskatoon on which it was their intention to erect shops and presumably the Canadian National will do so.

Saskatoon unlike many other Western cities has an abundant supply of pure water, a vital essential in the healthy growth of any city. A few years since the manager of one of the large fire insurance companies informed the writer that Saskatoon had more fire proof buildings than any other city in Canada. I asked him if he meant any other city of its size but he stated he meant exactly what he said, at any rate it is well built. The past few years there has been little building in Saskatoon but not much more in other centres. The fact that it is the trading centre for one of the largest and best territories in the West is the principal factor why Saskatoon is not only one of the coming big cities of the West but will be the greatest city between Winnipeg and the Coast. It must be remembered that Saskatoon is the youngest city in the West and it has grown to its present population of over 30,000 without political help which has been directed to Regina and without the pull of the mammoth C.P.R. which has been directed to Moose Jaw. The present position of the city is due to its strategical position and the Saskatoon spirit which believes in Saskatoon and in its future.

Yours truly,
A. V. WHITE.

Toronto, Feb. 8th, 1921.

Annual report of American Can Co. disclosed further proofs of the broad facts already known about the business retrogression in 1920. Though sales were almost as large as last year and taxes $1,000,000 less, net profits applicable to the common were smaller than in any year since 1913 and in fact but little more than 50 per cent. of the average for the preceding eight years.

"Who Serves Quickest"

In the purchase or sale of Victory Bonds promptitude, next to accuracy, is most desirable.

We endeavor "to serve most" because in addition to the accuracy which is essential to this business, we handle transactions speedily.

This is due to the fact that we maintain a large exclusive Victory Bond Department.

Telephone orders particularly solicited.

Wood, Gundy & Company

Toronto, Montreal, Winnipeg — Canadian Pacific Railway Bldg. Toronto — Saskatoon, New York, London, Eng.

EXECUTOR, TRUSTEE, AGENT

Crown Trust Company, acting as Executor, Trustee and Agent, transacts a general trust company business, offering a variety of services.

Confidential discussions between our officers and parties interested in any phase of trust company business are invited without obligation or charge.

Crown Trust Co.

"A Trust Company for the Public Service"

145 ST. JAMES STREET MONTREAL

SAFE DEPOSIT BOXES TO RENT

NEW ISSUE

CITY OF ST. CATHARINES

6% COUPON BONDS

Maturities: 1922—1926

Principal and semi-annual interest (April 20 and October 20) payable in Toronto or St. Catharines. Denomination, $500 and $1,000

PRICE TO YIELD 6.40 PER CENT.

HARRIS, FORBES & COMPANY

INCORPORATED

C.P.R. Building, TORONTO — 21 St. John Street, MONTREAL

Before

You Invest, Consult Us

A resume of the inquiries we receive and a careful survey of the "Inquiry" columns of the leading financial journals shows that over 75% of investors, *first* purchase securities and then seek opinions regarding them.

In many cases this is too late. The price at which they purchased does not always represent intrinsic or market value and when an effort is made to convert these securities into cash they discover their mistake.

When you buy bonds from a reputable house you are assured of not only safety but you are buying a security that can easily be converted into cash at all times with interest payable promptly when due.

Before you Invest, Consult Us.

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We own and offer

TOWNSHIP OF YORK 6% BONDS

Due 1st March, 1922-1944. Interest Payable Annually.

Price—Maturities 1922-1929—Rate to yield 6.20%

Maturities 1930-1944—Rate to yield 6.10%

UNITED FINANCIAL CORPORATION, LIMITED

14 KING STREET EAST, TORONTO

Montreal — Ottawa — London, Eng

Rural Municipality of Morris

Good Roads Debentures

THE undersigned will receive bids up till noon on Thursday, the 24th day of February, 1921, for $50,000.00 worth of 20-year, 6%, Good Roads Debentures. Interest and one Debenture payable yearly on the first day of February in each year. Debentures dated February the first, 1921. Bidders to state offer in Canadian currency, payable at par at the Merchants Bank of Canada, Morris, Manitoba. The Council reserve the right to reject any or all bids.

For further particulars apply to the undersigned.

Dated at Morris, Manitoba, this 8th day of February, A.D. 1921.

WALTER N. STEVENSON,

Morris, Man. Secretary-Treasurer.

Rural Municipality of St. Andrews

(Manitoba)

DEBENTURES FOR SALE

BY-LAW No. 542, to provide for the borrowing of $187,642.49 for the purpose of constructing certain roads under "Good Roads Act" by the issue of Debentures bearing 5½% interest, repayable in Thirty years, was legalized by Manitoba Legislature in 1920, and Bonds guaranteed by the Province of Manitoba.

Debentures are in denominations of $1,000.00 and odd amounts, repayable in yearly series, with interest coupons attached.

Date of payment of principal and interest, December 20th.

Bonds ready for delivery.

Offers for $100,000.00 of these debentures will be received by the undersigned up to Noon, March 5th, A.D. 1921.

The highest or any tender not necessarily accepted.

For further information apply

J. D. FORSTER,
Secretary-Treasurer,
Clandeboye, Man.

NEWS OF THE BOND MARKET

SWITCHING BONDS SOMETIMES VERY PROFITABLE MOVE

Men With Small Incomes Should Trade 1937's For 1934's

SOME OPPORTUNITIES

Bond Investor Should Look Through His Lists For Opportunities To Make a Profit

Many investors are finding it profitable to look over their holdings at the present time. This applies particularly to bonds. The investor in preferred and common stocks usually watches his securities very carefully because he realizes they are more or less susceptible to sudden movements and more likely to discount economic and business trends than bonds and other more stable securities. The bond buyer, on the other hand, is too prone to consider his investments in the terms of maturities. His bonds, once bought, go into the safety deposit vault and are not gone over except at coupon clipping times and at maturity. But although the opportunities for making profitable "switches" of bonds are not as frequent as in the case of other securities, they nevertheless exist in many cases, and the investor who goes over his list carefully at the present time may find many opportunities for profit.

Trading in 1937's

One of the most important ways the small investor—the man with an income of under $6,000 a year—can make a profit is in trading his 1937 Victory bonds for 1934's. So many similar transactions have been made it might seem impossible that many more small holders of 1937's still exist, yet the fact that so much of this trading in is done every day indicates that there are still many people who could benefit by such a "switch." The man with an income under $6,000 is lightly touched by income tax. The tax-exempt feature of the 1937 bond means little to him, but it means a good deal to the man with a larger income, and the latter is willing to pay for it in the shape of a higher bid for the 1937 bond than for the 1934. Thus the man with $1,000 of 1937's can exchange his holdings for 1934's, make a profit of around $20 after paying brokerage each way, and still have exactly the same income.

There are numerous provincial, railway and industrial bonds outstanding payable in New York funds. The extra 12 per cent. the investor receives on his coupons seems like so much extra profit to him, but it is undoubtedly true that in many cases the holder of a bond payable in New York would be putting through a better deal if he were to sell and invest in a bond payable in Canada only. The New York payment gives his bond a higher value at the present time in comparison with bonds of Canadian payment only, and the profit made by exchanging the New York bond for a bond of Canadian payment only would in many cases be more valuable than the premium on the coupons—a premium with very indefinite future.

The question of provincial bonds, free from succession duties, was taken up in the FINANCIAL POST last week. The holder of Province of Ontario or Province of Quebec bonds would be well advised to look over his holdings to see if they include any bonds free from succession duties. If there are any such in his list, and he is not a man of great wealth, the profit to be made on these bonds would amount to a very tidy sum.

"AN ISSUE! AN ISSUE! MY FACTORY FOR AN ISSUE! !"

A certain manufacturer in a small Ontario town decided the other day that the time had come for further expansion by his firm. He needed capital and took a train to Toronto to see about finding the money. A friend of his in the investment business had handled numerous small industrial issues and he decided to call on his broker, and submit to him a proposition to sell $250,000 or $300,000 of preferred stock in his concern.

He found Mr. Brown, the broker, in his office. "Howdo, Mr. Smith," said the broker. "What can I do for—. Pardon me while I answer my telephone.

"Hello, hello. Who is it? Oh, Jones. No. I couldn't sell any stock for you, Mr. Jones. The industrial share market is dead. Goodbye."

He turned to talk to Mr. Smith and the 'phone rang again. It was another small manufacturer wanting capital. The same answer was given to him.

The dealer turned to his friend. "We get 'em ten a day like that. They all want money and there is no money. By the way, what can I do for you?"

Smith rose to go. "Oh, nothing at all, Mr. Brown. I was in the city and I just called in to say hello."

BURLINGTON ISSUE SOLD TO AMES CO.

Town Pays 6.40 Per Cent. For $35,000 Of Funds

A. E. Ames and Co. have purchased by tender $34,488 of bonds of the Town of Burlington, Ont. The issue was made up of two blocks, one of 20 instalment 6's and the other 30 instalment 6's. The approximate price basis was 6.40 per cent.

Tenders received were as follows:

A. E. Ames & Co.	96.18
Wood, Gundy & Co.	96.08
R. C. Matthews & Co.	95.188
Brent, Noxon & Co.	90.16

FOURTEEN TENDERED FOR WHITBY BONDS

Issue Went to Wood, Gundy & Co. On 6.42 Basis

Fourteen tenders were received by the Town of Whitby for an issue of $60,000 of debentures, sold to pay for a new school. The debentures were 6½ per cent's., maturing in 30 years, and the price paid was 101.193. Wood, Gundy and Company got the issue. The basis was 6.42 per cent.

The tenders received were as follows:

Wood, Gundy & Co.	101.193
McLeod, Young, Weir & Co.	101.175
Dominion Securities Corporation	101.138
R. C. Matthews & Co.	100.62
Turner, Spragge & Co.	100.33
C. H. Burgess & Co.	100.23
A. E. Ames & Co.	100.22
Harris, Forbes & Co.	100.127
Dyment, Anderson & Co.	99.97
Brent, Noxon & Co.	99.96
W. A. Mackenzie & Co.	99.08
MacNeill, Graham & Co.	99.03
United Financial Corp.	98.55
A. Jarvis & Co.	98.27

FORT GARRY SCHOOLS

Aemilius Jarvis and Company have bought from the school district of Fort Garry, Manitoba, $50,000 of 7 per cent. 20-instalment debentures. This is in addition to a block of the town's bonds purchased a week ago by the same house.

FINANCE AT HOME

Having been successful in selling a small block of its debentures locally, Kerrobert, Saskatchewan, is considering trying the plan again in connection with the financing of an electric light plant. The issue that has just been sold consisted of $4,500 of 7 per cent. ten-year bonds, offered at 90.

GUELPH RECEIVED EXCEPTIONAL PRICE

But Sale to Local Investors Was Assured From The First

Surprise was expressed at the excellent price received by the City of Guelph for an issue of bonds it sold this week, the price basis being 6.12 per cent., but an explanation is the fact that the bonds were sold locally, and it is understood that their sale to the Guelph investors was assured before the tenders were opened.

The issue was $175,000 of twenty-year 6 per cent. bonds, and was bought by A. E. Ames and Company at 98.658.

Tenders received were as follows:

A. E. Ames & Co.	98.658
R. C. Matthews & Co.	98.55
Wood, Gundy & Co.	98.41
United Financial Corp.	97.88
Harris, Forbes & Co.	97.827
Dominion Sec. Corp.	97.758
C. R. Clapp & Co.	97.664
C. H. Burgess & Co., and Turner, Spragge & Co.	97.6217
National City Co.	97.617
McLeod, Young, Weir & Co.	97.597
A. Jarvis & Co.	97.57
Brent, Noxon & Co.	97.53
Zimmerman & Mulloch	97.426
Mackay & Mackay	97.379
W. L. McKinnon & Co.	97.367
Sterling Bank	97.3105
Can. Debenture Corp.	97.26
W. A. MacKenzie & Co.	97.21
MacNeill, Graham & Co.	97.03
Stewart, McNair, Reid & Co.	96.927
Housser, Wood & Co.	96.53
Imperial Bank	96.143

OFFER TORONTO'S AT 6 P.C. AND UNDER

Big Issue Went to Syndicate On 6.11 Per Cent. Basis

Toronto's big $5,037,000 issue of bonds this week went to a syndicate of three investment houses at a price that brought a smile to the face of Finance Commissioner Ross. The funds cost the city 6.11 per cent., and yet it cannot be said that the bid was out of line with the market. The bonds are being offered at from 5.90 to 6 per cent., and considering the strength the market has been gradually accumulating for two or three months, with constant advances being recorded in the quotations for the best bonds, they are good investments at that figure.

The purchasers of the issue were Wood, Gundy and Co., A. E. Ames and Co. and Aemilius Jarvis and Co. The bonds bear 6 per cent. interest, mature in thirty instalments, and the highest bid was 98.94.

Three tenders were received, as follows:

Offer Torontos

Wood, Gundy & Co., A. E. Ames & Co. and Aemilius Jarvis & Co.	98.94
Dominion Securities Corp., Harris, Forbes & Co., National City Co., R. A. Daly & Co., and W. A. Mackenzie & Co.	98.389
Osler & Hammond, R. C. Matthews & Co., and United Financial Corporation	98.111

Despite the fact that only three tenders, representing but eleven houses, were received, at least fifty Toronto bond dealers were present at the city hall when tenders were opened. The Toronto issue has been awaited with interest for two weeks, as it was felt to be the dominant factor in the Canadian bond market.

Toronto will be in the bond market more than once again during the coming year.

MORE WINDSORS SOLD

In addition to a block of $450,000 of bonds previously purchased, the Dominion Securities Corporation has bought $225,000 of bonds of the City of Windsor. The bonds are 20-year serials, bearing six per cent. interest.

TRY LOCAL SALE

Finding it impossible to market its bonds in the ordinary way, the Town of Wainwright, Alberta, which has been in financial difficulties for some time, is offering $10,000 of 6½ per cent. ten-year bonds, of $100 each, to local citizens.

The bonds are being offered at 96, giving a yield of 7.08 per cent. to the investor in the town. The bonds are an obligation of the Town of Wainwright, and in addition are a first claim against all uncollected taxes prior to 1919.

WILL PAY 10 PER CENT.

Directors of the Eastern Trust Company have decided to make the dividend at the rate of 10 per cent. per annum. The quarterly dividend of 2 per cent. will be payable April first.

BOND MOVEMENTS OF THE WEEK

Bonds—	Int. Rate.	Due. Year	Yield	Range 1921. High	Low	Latest price. Ask	Bid	Wk. 7nd. High	Low	Feb. 22. Sales
Canada Bread	6	1941	7.32	86	84	86	..	86	..	$ 800
Can. Cement	6	1929	6.92	94	91½	94	..	94	..	5,000
Cons. Rubber	6	1946	6.83	90	86	90	..	90	..	1,000
Can. Locomotive	6	1951	6.92	89	86½	89	88	89	88	6,000
Cedar Rapids	5	1953	5.97	87½	86⅛	87½	..	87½	86⅛	16,000
Dom. Cotton	6	1922	8.02	96½	96	..	..	96¼	..	7,000
Dom. Iron	5	1929	8.00	81	75	80½	80	81	..	2,000
Dom. Textile (C)	6	1925	7.97	92	91	..	92	92	..	7,000
Mont. Trams. deb.	5	1924	13.55	66¾	65	65¾	65½	66	65	14,900
Montreal, May '23	6	1923	3.50	107	106	..	106	107	..	1,000
Ogilvie (C)	6	1932	6.73	94	93	..	95	94	..	1,000
Price	5	1940	6.69	81½	78	81	80	81½	..	2,500
Quebec Rly	5	1939	8.72	68	59	65	64	68	64	6,200
Rio	5	1935	8.52	79	62	..	78	79	69	11,100
Sao Paulo	5	1929	8.15	82	70	81	..	80¼	80	25,000
Sterling Coal	6	1940	7.47	85	..	..	85	85	..	300
Wayagamack	6	1951	8.05	78¼	75	77¾	77	78	77	9,500
War Loan (1925)	5	1925	6.48	95½	92	84½	84	94⅜	93¾	50,500
Do., (1931)	5	1931	7.18	95¼	90¾	94½	93½	93½	93	8,000
Do., (1937)	5	1937	5.18	98½	94½	98⅛	98	98⅛	96¾	47,800
Victory (1922)	5½	1922	6.17	99¼	97	98⅞	98¾	99	98	12,550
Do., (1923)	5½	1923	6.15	99	95½	98½	98⅜	98⅝	97¾	190,600
Do., (1924)	5½	1924	6.51	98½	94¼	96⅜	96¼	98	96	158,850
Do., (1927)	5½	1927	5.83	99⅛	95¼	98⅛	98	98¼	97	154,000
Do., (1933)	5½	1933	5.65	99	95⅛	98⅝	98½	98⅞	98	291,450
Do., (1934)	5½	1934	6.00	96⅛	92¼	95½	95⅜	95⅞	95	493,100
Do., (1937)	5½	1937	5.54	100½	96½	99¾	99⅝	99¾	98	2,066,550

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112

From all quarters there comes word that the fish sales on National Fish Day exceeded by far those of the last national event in 1919.

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FIELD OF MUNICIPAL FINANCE

RED DEER AGAIN MAKES GOOD CUT IN CIVIC DEBTS

Passes Estimates Early and Eliminates Need for Borrowing

TAX LOSS RESERVE

Fund For Uncollectable Taxes Now Exceeds What City Expects to Lose This Way

Continuing its policy of issuing no new debentures, and paying off all maturing issues, the City of Red Deer, Alberta, further improved its financial position in 1920. The auditor's report just issued shows a total debenture debt of $297,567, a reduction during 1920 of $16,000 and since 1914 of $72,000. After deducting waterworks and local improvement debentures, the net debt is $147,130.

Red Deer has paid all coupons and treasury bills as they have been presented; demands of public schools and hospitals have been met and the city has in the bank at the present time sufficient cash to pay all treasury bills and interest coupons due in 1921.

One reason for Red Deer's success financially has been the fact that assessments are made in the fall for the ensuing year and tax bills are sent out in February. Current tax collections are usually sufficient to carry the city without bank borrowing until September.

Conditions at Red Deer

Writing to the FINANCIAL POST A. T. Stephenson, secretary-treasurer of the city, gives a summary of conditions in the district and offers some valuable suggestions relating to municipal finance.

"Red Deer will be about the first municipality in Canada to publish its report this year, and I am about certain that we are the first in Canada to have tax notices for 1921 issued and sent out. We have already collected over $3,300 of 1921 taxes, and they are coming in daily. We expect again this year that our tax collections will pay our expenditures until about September without having to borrow from the bank. I cannot see why more municipalities do not arrange to get their estimates passed the first thing in the year and get their taxes collected early. In our experience it is just as easy to collect taxes in the beginning of the year as later and we save paying interest to banks on current account.

"That the people in Red Deer have confidence in its future is shown by the fact that we were able to sell locally a large amount of treasury bills on an interest basis of 7 per cent., and we could have sold many more if we had had them.

"The auditors' report will show that we have not issued any debentures for some years and that we are steadily reducing our debenture debt. I am sure that this policy will be continued and we will not issue any debentures unless for some unavoidable purpose such as renewing some bridges that we have been patching up for some years.

"For some years we have made an extra levy for the purpose of providing a reserve fund for uncollectable taxes. Most of these uncollectable taxes are on subdivision lots outside the city limits but in the school district, the taxes for which we have to collect. This reserve fund now stands at $67,686.28 and our loss on taxes will not amount to nearly that amount.

"Our arrears of taxes are high, but we have granted extension of time for payment of arrears to all soldiers owning property and to some others who showed sufficient cause and the Townsite Company owes over $41,000 arrears of taxes which we will probably sue them for this year.

Sound Financial Position

When it is considered that we levy taxes on land only and business rental values and do not assess improvements it is remarkable that we have been able to maintain such a sound financial position. The imposition of a direct tax by the Provincial Government, which we have to collect, and the fact that the government takes a lot of revenues that rightfully belong to the city, and does not give us nearly enough grants for hospitals or schools, make it necessary to get other sources of revenue. The council is now applying for power to collect a service tax of $10 from each resident who does not pay any other taxes and who receives a fair income. Also a householders' tax not exceeding 10 per cent. of rental value of the premises and the assessment of improvements for 1922.

"The Canadian National Railway has built a connection into Red Deer with the Brazeau branch and will be operating in early spring. Prospects are good for building this year. There is a great scarcity of houses for rent here and many families would move here if they could possibly get houses to live in. Population is increasing rapidly and the census to be taken this year should show a population of over 3,000.

ARREARS ARE HEAVY CANORA SHEET SHOWS

Unpaid Debenture Principal and Interest Totals Over $34,000

Debenture principal unpaid to the amount of $13,623 and debenture interest unpaid to the amount of $20,644 is shown in the balance sheet of the town of Canora, Saskatchewan, for the year ended December 31 last. In addition, the statement of liabilities shows outstanding debentures $134,851; treasury bills $15,000; loans unpaid $21,000. Included in the town's assets are such doubtful items as unpaid taxes, $29,654; tax sale certificates purchased by town, $35,540.

The following analysis of the town's finances indicates its position:

Assets		
Cash in bank, general		$ 6,745.45
Cash in bank, trust		49,205.21
Cash on hand		5,413.02
Unpaid taxes		29,654.29
Tax sale certificates		35,540.01
Capital assets	$177,615.46	
Less reserve	41,280.67	
		136,334.79
Other assets		17,646.82
		$280,628.59

Liabilities	
Debentures outstanding	$135,851.48
Loans unpaid	21,000.00
Balance due schools	17,876.24
Debenture arrears, principal	13,623.67
Debenture arrears, interest	20,643.60
Treasury bills	15,000.00
Other liabilities	33,826.34
Surplus	33,707.66
	$280,528.59

MUCH OF 1916 LOAN ALREADY RETIRED

Government Probably Will Not Make Refunding Issue For Bonds

New York despatches indicate that the report is current in financial circles that the Canadian Government has started negotiations to refund the $25,000,000 of five per cent. bonds which mature on April 1 next. Investigation discloses that the Dominion Government has bought up and retired already a considerable more than a majority of the $25,000,000 maturity and has completed arrangements to care for the balance at maturity without refunding.

That maturity is one-third of the $75,000,000 Canadian Government loan floated in the latter part of 1916 at a basis ranging from 5.10 per cent. for five-year bonds to 5⅜ per cent. for the ten-year bonds and 5½ per cent. for the fifteen-year bonds.

The syndicate which placed the issue was composed of J. P. Morgan & Company, Brown Bros. & Co., Harris, Forbes & Co., the Bank of Montreal, the First National Bank, the National City Bank and the Guaranty Trust Co.

Money By-Laws

TENDERS WANTED

Mar. 26, Drumheller, Alta.—$28,000, 7 per cent., 20-year Hospital debentures. S. P. Williams, Sec.-Treasurer, Drumheller.

Feb. 28, Transcona. — $48,000, 6 per cent., 20-year school debentures. John M. Forbes, Sec.-Treasurer, P. O. Box 236, Transcona, Man.

Mar. 7, Trail.—$37,000, 7 per cent., 20-year waterworks debentures. Wm. E. B. Monypenny, City Clerk, Trail, B.C. (See announcement on page 13).

Mar. 5, R. M. St. Andrews.—$187,642.49, 5½ 30-year good roads debentures. J. D. Forster, sec.-treas., Clandeboye, Man. (See announcement elsewhere in this issue).

Mar. 31, R.M. Pipestone—$80,000, Good Road debentures. (See announcement elsewhere in this issue).

BY-LAWS TO BE VOTED ON

Mar. 10, Craik.—$35,000 for purpose of erecting a school.

Feb. 28, Maple Creek.—$4,000 for purpose of purchasing and installing water meters.

Mar. 8, R. M. Boulton.—$10,700 for purpose of erecting a hospital.

Mar. 8, R. M. Russell.—$25,500 for erection of a hospital.

BY-LAWS PASSED OR DEFEATED

Stratford.—$10,000 for local improvements and road machinery. Passed by the council on Feb. 21.

DEBENTURE NOTES

Toronto.—The council has passed a by-law authorizing the issue of $5,000,000 debentures on account of the purchase of the Toronto Railway Company. The city is called upon to vote $141,000 this year for good roads in York County.

COAST PROVINCE HAD BETTER YEAR THAN EXPECTED

Surplus Shown in Provincial Accounts For Last Fiscal Period

WELL ARRANGED

Province Continues Scheme Inaugurated Last Year of Presenting Statement in Intelligible Form

Again presented in the well classified and easily understood manner initiated a year ago, the public accounts of British Columbia for the fiscal year ended March 31, 1920, indicate that the coast province had a much better year financially than had been anticipated.

Revenue on current account totalled $13,861,603, exceeding the estimates by $4,000,000, and larger than the previous year's totals by nearly $3,000,000. Profits under the Prohibition Act, exceeding the estimate by $625,000; income tax, larger by $400,000 than the estimate, and much enlarged receipts from natural resources provided the chief sources of increased revenue.

The total expenditures charged to income were $13,510,272, about $200,000 larger than the estimate, leaving a net surplus of income over expenditure of $350,000.

Profit Made on Liquor

An interesting statement of accounts appearing in the accounts is that of the provincial liquor vendors. On total sales of $1,883,230 the department made a profit of $733,282, of which $80,000 was put to reserve and the remainder added to revenue. The total will probably be even larger during the present fiscal year.

In making up the provincial balance sheet, the Hon. John Hart, Minister of Finance, follows the system introduced by Comptroller-General A. G. Mouat, showing capital, current and deferred assets and liabilities separately. Capital assets total $43,851,588, an increase of $2,800,000. An important increase in this department is in sinking funds, from $4,886,273 to $5,837,600. There has been a considerable increase in the provincial debt from $27,571,936 to $34,071,936, which has reduced the excess of capital assets over capital liabilities from $13,788,196 to $9,534,727.

The excess of current assets over current liabilities, which was about $1,000,000 a year ago, and which was a deficit two years ago is now $3,782,017.

The accounts of British Columbia are still the only public accounts of any Canadian Government—federal or provincial—to be issued with revenues and expenditures of each department segregated, and with corresponding tables showing actual and estimated figures under each item. The business-like presentation by Comptroller A. G. Mouat is greatly in contrast with the public accounts of other provinces.

MILTON SELLS ISSUE TO HARRIS-FORBES

Basis of 6.33 Per Cent. For Block of High School Bonds

The Town of Milton's issue of $34,000 of 6 per cent. thirty instalment high school debentures went to Harris, Forbes and Co. at 96.737, a basis of 6.33 per cent.

Following are the tenders:

Harris, Forbes & Co.	96.737
A. E. Ames & Co.	96.43
W. A. Mackenzie & Co.	96.17
Wood, Gundy & Co.	96.12
United Financial Corp.	95.90
Housser, Wood & Co.	95.857
R. C. Matthews & Co.	95.73
W. L. McKinnon & Co.	95.692
C. H. Burgess & Co.	95.21
Dominion Securities Corp.	95.148
Brent, Noxon & Co.	95.147

Mayor Hylan proposes that New York construct and operate its own lighting plants; suggests also to Board of Estimate that power for lighting purposes may be obtained from transit companies because of city's proprietary interest in subways.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date.	Place	Sold to	Rate %	Term.	Amount.	Price.	Basis
Feb. 18.	Guelph	A. E. Ames & Co.	6	20 yr.	175,000	98.658	6.12
Feb. 18.	Windsor	Dom. Securities Corp.	6	20 in.	225,000	..	...
Feb. 21.	Whitby	Wood, Gundy & Co.	6½	30 yr.	60,000	101.193	6.42
Feb. 22.	Ft. Garry, Man. S. D.	A. Jarvis & Co.	7	20 in.	50,000	..	...
Feb. 15.	Fredericton, N. B.	Royal Sec. Corp., and others	5	13 & 15	140,000	90.676	6.04
Feb. 14.	Lachine, Quebec	Rev'e T. LeClerc	6	....	15,000	..	...
Feb. 15.	Yorkton, Sask.	Strang & Snowden	7	5 yr.	100,000	97.50	7.60
Feb. 22.	Burlington	A. E. Ames & Co.	6	30 in.	34,448	96.18	6.40
Feb. 22.	Toronto	Wood, Gundy & Co., A. E. Ames & Co., and A. Jarvis & Co.	6	30 in.	5,037,000	98.94	6.11
Feb. 22.	Kerrobert, Sask.	Locally	7	10	4,500	..	...
Feb. 22.	Wainwright, Alta.	Locally	6½	10 yrs.	10,000	96	7.08
Feb. 24.	Milton, Ont.	Harris, Forbes & Co.	6	30 in.	34,000	96.737	6.33

Municipal Bonds

	Yield
Prov. of Ontario 6% Bonds, due 1941	6%
Prov. Saskatchewan 6% Bonds, due 1935	6.10%
Toronto Sep. School 5½% Bonds, due 1940	6.15%
Greater Winnipeg Water District 6% Bonds, due 1940	6.20%
City of Toronto 5½% Bonds, due 1924	6.25%
City of Calgary 4½% Bonds, due 1942	6.75%
City of Medicine Hat 6% Bonds, due 1930	6.80%

We would appreciate the opportunity of sending further information on above issues.
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CITY OF TRAIL, B.C.

SEALED tenders, marked "Tender on Debentures," will be received by the undersigned up to 8 p.m. on Monday, March 7th, 1921, for $37,000.00, 7%, 20 years straight term waterworks debentures. Denomination $500.00. Interest payable semi-annually. Principal and interest payable in Trail, Toronto or New York at option of holder. Interest coupons attached.

WM. E. B. MONYPENNY,
City Clerk.

Drumheller Municipal Hospital Board No. 3

OFFICE OF SECRETARY-TREASURER.

SEALED tenders will be received up to and including March 26th next, by the Drumheller Municipal Board No. 3 for the purchase of twenty-eight thousand dollars ($28,000), twenty-year, seven per cent. Hospital Debentures, repayable in equal annual instalments of Principal and Interest in total.

The highest or any tender not necessarily accepted.

For further information write

S. P. WILLIAMS,
Secretary-Treasurer.

Drumheller, Alta.

The plan for increase in capital of Armour & Co. from $210,000,000 to $400,000,000 is likely to be considerably revised. Proposal to pay 100 per cent common stock dividend has been abandoned, and plan to issue $40,000,000 additional preferred stock will be delayed for some time.

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TORONTO: 20 KING ST. W. W. H. George, Superintendent of Agencies

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INSURANCE AND REAL ESTATE

CONSIDER PLAN TO LIGHTEN INITIAL INSURANCE COSTS

Life Insurance Without Medical Examination New in Canada

PLAN OUTLINED

Will Tend to Maintain Popular Interest in Life Insurance, and Extend Business—A Number of Restrictions

By D. E. REID,
Manager, London Life Insurance Co.
Paper read before Insurance Institute of Toronto.

The business of life insurance in the period before the war was always considered of such a stable nature that no serious upheavals were thought to be possible and its staid dignity became almost a byword among the more venturesome in the world of affairs. During the past six years, however, one shock after another has followed in quick succession, and if it were not a business crammed full of vitality and based on a rock bottom foundation of the most certain of all sciences it would not have been surprising if many failures had been recorded.

We have had in succession the war period, including the Halifax disaster, the epidemic period, far greater in its intensity than the war strain of a like duration; the strain of the readjustment of the financial market; the strain of the new business expansion, and the strain incident to conducting business on pre-war premiums but paying expenses on a post-war basis. It is not to be wondered at that the comfortable circumstances which characterized the position of most of the companies prior to the war have been rudely jolted, and the surplus resources of all companies considerably depleted.

After all these cruel shocks it has been left to the medical examiners to threaten the final staggering blow. Rumblings have been heard in many quarters as to the dissatisfaction of the local medical examiners that the fee for medical examination has not been increased in recent years, and certainly no one can complain if the general experience of the medical profession points to the necessity of a raise in the fees for medical examination. Assuming that the time spent on the individual examination is not sufficiently compensated by the fee heretofore paid and an increased fee must be faced by the companies, even for the smaller policies, another considerable burden will be added to a business that has already borne many heavy and unforeseen expenditures.

Lighten Initial Cost

If this additional burden must be faced, many companies will find it imperative to seek relief in a manner that will lighten the initial cost of procuring their business. Even if the ultimate cost is the same or somewhat greater, there would still be justification for a change if the expense can be removed from that of first year charge to a charge spread over a number of years.

In many sections of the country a great difficulty has been experienced in obtaining medical examinations after the agent's part of the work has been accomplished. The waiving of the medical examination will bring within the protection of the life insurance system a great many homes that are now without it. The introduction of such a system would go a long way in maintaining the popular interest that has in recent years been created in favor of the business. The multiplying of the number of small risks, provided they are of good quality, thereby more widely spreading the total amount at risk, would be of benefit. Should the practice become fairly general the effect would also be to enable each company to accept, without undue strain, a considerably larger volume of business than is now possible.

Group insurance first brought strongly to the attention of the Canadian actuaries the question of accepting risks without medical examination, and it is surprising to find how many thought either that it was not possible legally to transact such business or that it was quite too dangerous an experiment to attempt it. Life insurance without medical examination, however, far antedates the business of group insurance, although not in this country for policies of considerable amount. In Great Britain the system has been in vogue for ordinary insurance for a great many years.

The following are some of the points in connection with the proposed regulations for non-medical insurance in Canada:

1. The option at the outset is not left to the applicant to say whether he will be examined. If his application comes within the limits upon which the company accepts risks without examination there will be no examination unless specifically requested on account of some information in the application which indicates necessity for such further action.
2. The business will in all probability be conducted by a considerable number of companies acting more or less in harmony, so that no one company will be unduly overloaded.
3. The business will be limited to policies of $1,000, generally, although this may be extended to $1,500 or $2,000 by individual companies or in special districts.
4. A report made by an inspector, independent of the company altogether, will cover habits, occupation, and physical appearance of the applicant, with little or no reference to financial circumstances.
5. Limitation of age to 40 or 45.
6. Some of the companies propose to accept married women without extra or lien. Others will not accept on any terms and in at least one case, such risks will be accepted with a lien depending as to amount and duration upon the plan of insurance.
7. It is expected that a system will be worked out which will place a check upon any applicant applying to a number of companies for non-medical insurance.

A general survey of the actual developments of the non-medical system seems to me to fully warrant a trial on a moderate basis, with the reasonable expectation that both as to age limitation and amount we may in the future expect a considerable extension.

There may be no expectation that the cost of the business will ultimately be reduced but it will shift the cost from the strain of the first year. Deliberate fraudulent cases should be largely eliminated at the outset and those that are accepted may be much more successfully resisted in the event of a claim arising than would be the case if there had been a medical examination.

There is one serious drawback. The system does remove a safeguard which every man should adopt for himself, but which is usually adopted only when applying for a policy of life insurance. I refer to the fact that many men find some defect in their condition only when they have made application for insurance.

NEW HEAD OFFICE MANUFACTURERS' LIFE

Company Purchases Valuable Toronto Property—Office Buildings Contemplated

The Manufacturers' Life Insurance Company has purchased from the Toronto Board of Education a block of land located on Bloor Street Est, Toronto, opposite St. Paul's Church for the sum of $215,000 cash. The plot comprises four and a half acres, having a 300-foot frontage with a depth of 600 feet. It is understood that the Manufacturers' Life will erect a large handsome building on the site which will be their headquarters for Canada.

This property was purchased a number of years ago by the school board for $62,500 as the site of a new Jarvis Street Collegiate. It was sold to the government for $90,000 and bought back for $150,000. The lot has cost the board some $240,000 for since it was vacant land the school board had to pay taxes.

CHARTERED TRUST

Profits Smaller but Expansion in Business Reported

The profits of the Chartered Trust and Executor Company at $37,644 for 1920 were lower than the $48,368 reported for 1919, but they were substantially higher than the showing of $15,130 in 1918, while the increase in assets from $4,924,099 to $5,232,412 indicates largely the development in trusts accounts business during the year. Dividends of 7 per cent. were paid and $1,000 was set aside for doubtful accounts. Following are comparative figures:

	1920.	1919.	1918.
Profits	$37,644	$48,368	$15,130
Bal. forward	1,183	40,665	4,593
	$38,827	$89,033	$19,723
Dividends	34,008	29,453	13,333
Reserve	1,000	58,397	......
Balance	3,819	1,183	6,390
	$38,827	$89,033	$19,723

The rest account is $60,000, as against $67,000. The amount of mortgages held on capital account is $208,449, as against $241,085, while bonds, debentures and stocks are $180,130, compared with $164,632. In estates, trusts and agency accounts mortgages amount to $1,478,924, compared with $838,869, and bonds, debentures and stocks are $1,140,460, and real estate $1,751,111, these two items together last year amounting to $3,376,533.

LONDON MUTUAL FIRE'S PROGRESS

Gross Premium Income Shows An Increase of $270,386 for Year

The annual report of the London Mutual Fire Insurance Company of Canada, which was submitted to shareholders at the annual meeting on Saturday last, was received with unanimous approval. The financial statement indicated that the company had completed one of the best year's in its history, and that substantial progress had been made in every department. The company's gross premium income, less cancellations and rebates, amounted to $975,395, being an increase of $270,386 over the previous year. The net premium income, after deducting reinsurance premiums, was $625,001, an increase of $99,817. The gross losses were $407,696, being 41.8 per cent. of gross premiums, and the net losses at $258,319 were 41.3 per cent. of the net premium income. President A. H. C. Carson at the meeting pointed out that gross carelessness was responsible for the large bulk of the fire losses of the company during the year.

The trading profit after deducting losses paid and estimated, and expenses paid, amounted to $135,943. After meeting all requirements the sum of $15,575 was added to the cash surplus, making a cash surplus to policyholders of $222,950, to which was added the contingent portion of the premium notes, amounting to $138,827, making a total surplus to policyholders of $361,777.

The bonds and debentures owned by the company are shown at their book value of $480 438, an increase of $109,964 over the figures shown at the end of the previous year.

LARGER BUSINESS FOR SECURITY LIFE

Gross Insurance in Force Now Amounts to $4,513,132—Increase of $1,500,695

The favorable business experienced by Canadian life insurance companies during the past year is reflected in the annual statement of the Security Life Insurance Co. of Canada, recently issued. This company, which is the only company under a Dominion charter now engaged in writing non-participating insurance, shows a very material improvement in the returns from the past year's operations. During the year the applications for new insurance, increases and revivals amounted to $2,204,900. The amount actually accepted and issued was $2,023,100. This compares with $1,738,500 for the previous year and $561,350 for the year 1918. The gross insurance in force at the end of the year amounted to $4,513,132, an increase for the year of $1,500,695, being over 75 per cent. of the new business issued. The gross cash premium income for the year was $112,648, an increase of $29,098, and an advance over the year 1918 of $66,101. After payment of claims, reinsurance premiums and expenses the sum of $90,809 was carried forward to investment account. The gross surplus now stands at $74,394, an increase for the year of $36,216.

A further growth in assets is recorded from $216,858 to $299,405. The assets include bonds and debentures carried out at cost value to the amount of $182,830. The sum of $13,159 has also been applied upon mortgages in real estate; loans on company's policies, $16,795, and cash on hand, $14,382. The authorized capital of the company amounts to $1,000,000, while paid-up capital totals $229,701.

BEAVER FIRE

Over 86 Per Cent. Paid-Up Capital Invested in Bonds

In the annual report of the Beaver Fire Insurance Company, with head office in Winnipeg, emphasis is given to the fact that this company invests all its funds in Canadian securities, or in first mortgages on Canadian properties. At the close of the year investments totalled $339,369, made up of bonds and debentures, $252,963, and mortgages $86,406. Assets now total $397,892. The surplus available for policyholders amounts to $316,794 and includes paid-up capital, $216,360, and net surplus of $100,434.

Great Britain's exports of iron and steel in January aggregated 232,000 tons, compared with 190,000 tons in December and 257,000 tons in January, 1920.

FACTORY
SALE or LEASE
Modern, heavy construction; light four sides; forty thousand feet; railway facilities. Ready for immediate occupation. Large lot. Best section of Toronto. Very low figures quoted.
Members Toronto Real Estate Board
ROBINS LIMITED
Kent Building. Adelaide 3200

A 10% INVESTMENT
CANADIAN CAR & FOUNDRY
6%
SEVEN YEAR NOTES
NOW selling at a price to return 10%.
The average earnings of the Company in the past three years after all prior deductions were equal to over fifteen times the interest on this issue.
There are outstanding behind the 6% Notes $7,500,000 of Preferred Stock and $4,975,000 of Common.
Write for Particulars.
McCuaig Bros. & Co.
Members of the Montreal Stock Exchange
Cor. Notre Dame & St. Francois Xavier Sts.
MONTREAL

Western Assurance Company
Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes Insurance.
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets Over - - - $8,000,000.00
Losses Paid Since Organization - - - $77,000,000.00
BOARD OF DIRECTORS: W. B. Meikle, President; Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - - TORONTO
BOARD OF DIRECTORS: W. B. Meikle, President and General Manager; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Miller Lash, Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - $4,300,000.00
Losses Paid Since Organization, over - $47,000,000.00

The Western Empire
Fire Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man.
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH, Managing Director

THE NORTH EMPIRE
FIRE INSURANCE CO.
Head Office - WINNIPEG
Toronto Office: 218 Confederation Life Building
J. E. HO-NSOM, *Manager*
Thompson, Dale & Power, Ltd., Toronto *City Representative*
Fess & Smith, Ltd., Winnipeg, Western General Agents
W. Mayne McCombe, Montreal, *General Agent*
(Policies guaranteed by the London Guarantee and Accident Co., Ltd.)

ALGONQUIN PARK

The months of February and March are two of the best months in the year to enjoy the attractions at Algonquin Park. Winter sports are at their height and the Highland Inn is the centre of a happy and congenial coterie of guests. Further information or booklet from any Grand Trunk Agent or write N. T. Clarke, manager, Highland Inn, Algonquin Park, Ont.

A glass factory is to be established in Flat Rock, Mich., by the Ford Motor Company. This is to be the first plant to be located outside of Detroit, following out the plan to establish Ford factories in small cities.

THCo

An Exceptional Investment

The 6% First Mortgage Sinking Fund Gold Bonds of a Canadian Public Utility Company, operating under an exclusive franchise in its own territory, offer an exceptional opportunity for safe investment, and yield

9.30%

These bonds are due April 1st, 1931, and are payable in New York.

This is only one of the many sound and profitable investments we are able to offer from time to time, due to exceptional buying facilities.

Write, wire or telephone for further particulars, and see that your name is on our regular mailing list.

Truax, Higgins Co.
Investment Bankers
17 St. John St. Main 3618
Montreal

Investment Counsel

Long term Provincial Bonds deserve high place in your list of investments under conditions to-day. We have good reasons.

Security—then Profit

A. ANGUS MACDONALD & CO.
C.P.R. BLDG. TORONTO

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Tuesday, the FIRST DAY OF MARCH next, to Shareholders of record of 31st January, 1921.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1921.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 136

NOTICE is hereby given that a dividend of Three per cent., upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March, 1921, to shareholders of record at the close of business on the 13th day of February, 1921.

By Order of the Board.
JOHN AIRD,
General Manager.
Toronto, 21st January, 1921.

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND NOTICE

AT a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent. for the half year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, being at the rate of seven per cent. per annum from revenue and three per cent. per annum from Special Income Account;

Both dividends are payable 1st April next to Stockholders of record at three p.m. on 1st March next.

By Order of the Board.
ERNEST ALEXANDER,
Secretary.
Montreal, 14th February, 1921.

The Wabasso Cotton Co. Company

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1921, payable April 2nd, 1921, to shareholders of record at the close of business on the 15th of March, 1921.

By order of the Board,
JAS. R. RITCHIE,
Secretary-Treasurer.

Woods Manufacturing Company, Limited

Common Stock Dividend Notice.

THE regular quarterly Dividend of two per cent. (2%) on the COMMON STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending February 28th, 1921, has been declared payable March 1st, 1921, to Shareholders of record February 22nd, 1921.

By order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, February 15th, 1921.

HOUSING SCHEME IS IN A SERIOUS WAY AT LONDON

City Has Many Houses Which Cannot Be Sold

VERY UNBUSINESSLIKE

Heavy Losses Being Faced in Connection with Paternalistic Efforts—People Say Prices Are Too High

By Resident Representative.

LONDON.—Citizens of London will be lucky, extremely lucky, if they do not lose at least $100,000 in connection with the work carried out under the housing scheme. There are those who predict that the loss will reach $150,000. At a meeting of No. 1 committee of the city council some rather startling facts were disclosed in connection with the unbusinesslike methods that have been followed. The city went ahead under the provisions of the Housing Act and erected a number of dwellings. Some of them have been disposed of. But from the taxpayer's standpoint the interesting fact remains that the city has no less than 57 dwellings, for which no offers have been received. Forty-two of them are located in Pine Lawn, an eastern suburb.

While it is stated that the houses are cheaply constructed, considered from the standpoint of quality, many of the people who looked them over simply threw up their hands at the prices asked and walked away. These houses have been standing for months awaiting occupants, and everyone knows how rapidly unoccupied dwellings deteriorate. Instead of increasing in value the residences are more or less rapidly depreciating.

At the meeting of No. 1 committee there was some plain talking. Ald. J. P. Watt, an outspoken Scotchman, and for many years in business in London, gave it as his opinion that the housing scheme all over the country had been "things of insanity from beginning to end."

Better Burn Them

Ald. Geo. Wenige suggested turning the houses over to some reliable real estate firm and trying to dispose of them on a commission basis. This brought from City Clerk Baker the remark that it would be better to burn them. Ald. Watt said this would involve the city in considerable loss and thought that some of them might be rented. The city clerk declared this to be impracticable. He probably had in mind a house that had been turned over to a tenant and it was soon found that the place had been damaged to the extent of $500, for which there is no come-back to the city.

Mayor Little emphatically declared that there will be no more building of commission houses until the present tangle is straightened out. This rather dashed the hopes of certain individuals, who had been hoping to make money out of building some more dwellings.

Have No System

Just how unbusinesslike are the methods followed was shown when the Mayor stated that he had held up a cheque for work on the Pine Lawn houses. The cheque was a large one, for $40,000 in fact, and it was being put through simply for expenses in connection with the Pine Lawn houses. The Mayor said he was not used to doing business in such a slipshod way and declared he would hold up the cheque until he got an itemized statement of everything.

This is a fair example of the way in which things have been carried on. No one thinks for a moment that anyone in connection with the work is dishonest. They simply lack ordinary knowledge of business methods and as a result the taxpayers are let in for heavy losses.

On Commission Now

One good move the committee made was to cut out the salary basis of the agent who has been trying to sell the houses. From now on, instead of working on a salary he will work on commission, and if there are no sales the city will at least be that much ahead.

According to statements made to THE FINANCIAL POST the city has an even worse white elephant on their hands in the houses than is realized. Ciizens who have looked over some of the dwellings declare they are not well built and that at the prices they cost to construct will be unsaleable. In some instances people who moved into Commission houses moved out again because they had no gas or electric light connection.

DEBENTURE CO. OF CANADA

Net Revenue More Than Adequate to Provide for 10 Per Cent. Dividends

The annual statement of the Debenture Company of Canada, with head office in Regina, for the year ending November 30 last, shows interest earned after deducting the charges of management amounting to $6,133. Including the balance to the company's credit at the end of the previous year there is available for distribution the sum of $6,133. Of this amount $5,805 is applied on dividends at the rate of 10 per cent. After provision for sundry items there is a balance of $190. Assets now total $88,474, paid-up capital $77,243 and reserves, $5,410.

This company invests all its funds in tax sale certificates on farm lands. Although operating under a Dominion charter the company has not as yet done any business outside of Saskatchewan.

MONTREAL LOAN PAID 13 PER CENT.

Reserves Now of Proportions to Warrant Larger Distribution to Shareholders

With increased income from interest the profit and loss statement for the Montreal Loan and Mortgage Company for 1920—its 63rd year—makes a very satisfactory showing. Not only was the dividend rate increased from 11 to 12 per cent., but a bonus of 1 per cent. was paid in addition and the balance carried forward increased from $36,424 to $50,573. The increased distribution to the shareholders was made possible because no appropriation was made for reserve, but attention may be called to the fact that there is already a surplus of $800,000 as compared with the paid-up capital of $600,000. Following are comparative figures:

	1919.	1920.
Income	$132,689	$126,051
Prev. balance	36,424	64,494
	$169,113	$190,545
Deposit interest	$ 8,453	$ 8,448
Currency deb. coupons	.....	375
Sterling deb. coupons	7,066	7,286
Expenses	14,820	12,999
War Tax	1,252	1,254
Income Tax	8,949	7,759
	$ 40,540	$ 38,121
Dividends	78,000	66,000
Balance	50,573	36,424
Reserve	.....	50,000
	$169,113	$190,543

Features of the company's earnings record for the past six years are summarized as follows:

Year.	Paid-up Capital.	Profits.	Div.	% on Cap.	Earn. Rate
1920	$600,000	$92,149	12+1	15.3	6.6
1919	600,000	87,929	11	14.6	6.6
1918	600,000	85,963	11	14.3	6.4
1917	600,000	84,024	11	14.0	6.3
1916	600,000	81,229	10	13.5	6.3
1915	600,000	79,280	10	13.2	6.6

It is interesting to note that the company's sterling debentures outstanding at $148,433 are exactly the same as in the previous report.

HOME INVESTMENT

Recovery in Earnings Shown for Last Year

Profits of the Home Investment and Savings Association, Winnipeg, for 1920 at $106,411, compared with $101,231 in 1919 and $106,523 in 1918. After the payment of taxes and dividends at 8 per cent. the balance was carried forward at $90,121, of which $74,463 was brought forward. Following are comparative figures:

	1920.	1919.	1918.
*Bal. forward	$ 74,463	$ 63,065	$ 42,200
Profits	106,411	101,231	106,523
Prem. on stock	10	50	387
	$180,884	$164,346	$149,110
Govt. taxes	11,371	9,990	4,946
	$169,513	$154,356	$144,164
Dividends	79,391	79,358	79,184
Balance	90,121	74,998	64,980
	$169,513	$154,356	$144,164

*After adjustment of Dominion tax.

Features of the company's earnings record for the past six years follow:

Year.	Paid-up Capital.	Profits	% on Cap.	Div.	Earn. Rate
1920	$992,482	$106,411	10.7	8	7.0
1919	992,352	101,231	10.2	8	6.7
1918	991,928	106,523	10.7	8	7.0
1917	989,131	*112,679	11.4	9	7.5
1916	984,481	*113,904	11.7	9	7.5
1915	981,726	126,551	13.0	9	8.5

*After deducting war profits tax.

The balance sheet shows that while there was a reduction of debentures outstanding during the year from $175,343 to $150,661 there was an increase in deposits from $405,227 to $478,344.

CAPITAL TRUST

The rapid development of the Capital Trust Corporation, Ottawa, during the period of the war and after is indicated in the following summary:

	Account.	Account.	Trusts, etc.
1920	$610,879	779,351	$2,719,350
1919	545,073	605,302	1,135,746
1918	450,777	448,335	1,060,680
1917	385,934	345,698	846,305
1916	334,496	249,172	707,046
1915	296,670	146,541	482,560
1914	241,336	69,076	233,503

GOOD BUSINESS HOPED FOR WITH NEW LEGISLATION

But It Remains To Be Seen How Trust Companies Will Fare

RECORD FOR PROFITS

Earnings for Mercantile Trust Company Were Best in the History of the Company

Although as compared with 1919 the report of the Mercantile Trust Company for 1920 showed a decrease in the total assets of trust accounts, this did not reflect the trend of the general business of the year. Several large estates were closed out, one involving a distribution of about $800,000. From the standpoint of profits the showing must be regarded as satisfactory, there being an increase of about $2,300 and the total of $56,736, after all expenses and taxes, the highest in the history of the company.

In addition to the regular dividend of 6 per cent. a bonus of 1 per cent. was paid. The contingent reserve account, provided largely on account of provincial moratoria, was increased $2,500 and $6,500 was placed in a special contingent reserve to cover depreciation on Victory Loan and other Government securities to market value as of December 31, 1920. The balance forward was increased from $7,578 to $16,314. Following are comparative figures for three years:

	1920.	1919.	1918.
Profits	$56,736	$55,470	$49,481
Prem. on stock	.....	620	205
Bal. forward	7,578	15,547	32,786
	$64,314	$71,637	$82,472
Dividend	30,000	29,314	29,175
Bonus	5,000	.....	.....
Premises	.....	.....	2,145
Reserves	2,500	25,000	28,935
Res. for dep.	.....	.....	3,029
Written off	.....	6,745	2,817
Patriotic	.....	.....	825
Res. for tax	4,000	3,000	.....
Res. for secs.	6,500	.....	.....
Balance	16,314	7,578	15,547
	$64,314	$71,637	$82,472

The company's earnings record for the past seven years follows:

	Capital.	Profits.	Div.	% on Cap.	Earn. Rate
1920	$500,000	$56,736	6+1	11.3	9.1
1919	488,565	55,470	6	11.5	9.2
1918	486,246	49,481	6	10.2	8.3
1917	476,660	40,389	6	8.6	7.3
1916	468,290	43,790	6	9.4	8.1
1915	463,000	43,066	6	9.3	7.9
1914	401,000	38,172	6	8.4	7.8

Total assets were reduced, under the conditions referred to, from $6,915,107 to $5,919,339. The change in the capital account indicated in the following comparative summary was due to the meeting of a special loan of $131,772, bank advances showing an increase of about $59,999.

Year.	Capital Account.	Guar. Account.	Trust. Account.	Total.
1920	$801,179	$413,272	$4,704,887	$5,919,339
1919	829,361	451,167	5,634,578	6,915,107
1918	677,009	432,592	4,576,119	5,625,722
1917	814,539	457,015	4,116,015	5,388,229
1916	707,894	400,820	3,926,070	5,034,786
1915	639,950	412,649	3,294,859	4,347,458
1914	619,559	413,136	2,700,150	3,732,846

The Question of Deposits

In his annual report to the shareholders, President Cyrus A. Birge referred to the proposed extension of the powers of the trust companies in regard to the acceptance of deposits under Ontario legislation. "Just what the result will be for the trust companies if the proposal is carried out it is too early to predict, but it is hoped that increased and profitable business will follow," he comments.

JANUARY BUILDING IN U. S.

Only About Half the Total of January 1920

January building returns to Bradstreet's show a total value of construction permitted for of $56,035,925, against $120,003,182 a year ago, a decline of 53.3 per cent. Compared with January, 1919, however, the total this year is two and a half times as great. The decrease in the number of permits from January, 1920, is only 3.2 per cent.

The American Lumberman reports business improving slowly and the market slightly firmer. Production continues at a low ebb and orders have caught up with it. Cement prices have been cut 40 cents a barrel following the closing down of several works. The feeling is growing that basic prices of building materials have dropped to their lowest point and that the stage is fairly set for a heavy building year. The Fire Marshal's Bulletin, of St. Paul, Minn., prints an interesting compilation showing that during the last ten years an annual average of $914,376,500 has been spent for new construction, while fire losses have totalled $242,201,600, or approximately a quarter of the sum.

"LONDON JOINT CITY & MIDLAND" BANK LIMITED

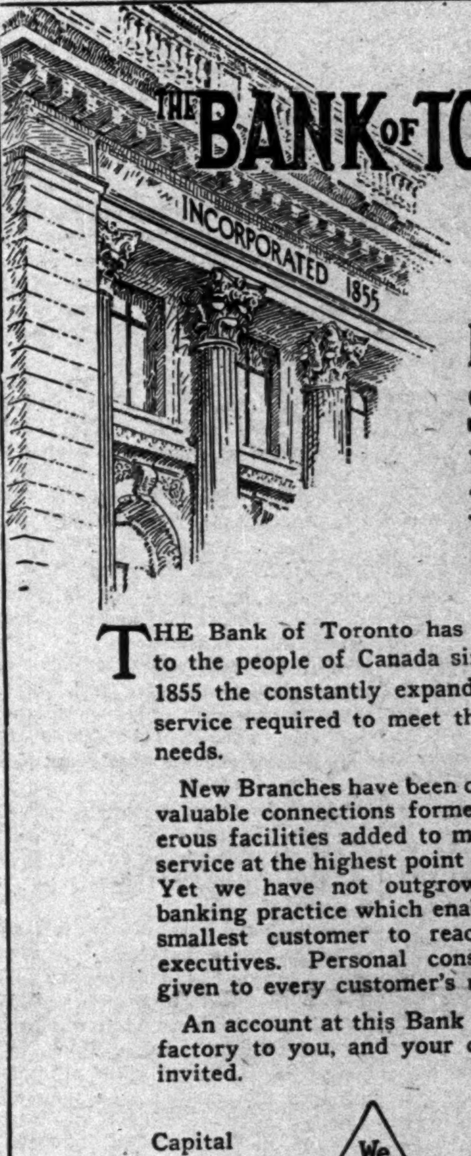
CHAIRMAN
The Right Hon. R. McKENNA
JOINT MANAGING DIRECTORS:
S. B. MURRAY, Esq., F. HYDE, Esq., E. W. WOOLLEY, Esq.

Subscribed Capital	£38,096,363
Paid-up Capital	10,840,112
Reserve Fund	10,840,112
Deposits (June 30th, 1920)	367,667,322

HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C. 2.
OVER 1,460 OFFICES IN ENGLAND AND WALES
OVERSEAS BRANCH: 65 & 66, OLD BROAD STREET, LONDON, E.C. 2.
Atlantic Offices: "Aquitania" "Imperator" "Mauretania"

AFFILIATED BANKS:
BELFAST BANKING CO. LTD. OVER 110 OFFICES IN IRELAND
THE CLYDESDALE BANK LTD. OVER 150 OFFICES IN SCOTLAND

THE BANK OF TORONTO



For Sixty-Five Years.

THE Bank of Toronto has been giving to the people of Canada since the year 1855 the constantly expanding banking service required to meet their growing needs.

New Branches have been opened, many valuable connections formed, and numerous facilities added to maintain their service at the highest point of efficiency. Yet we have not outgrown the good banking practice which enables even the smallest customer to reach the chief executives. Personal consideration is given to every customer's requirements.

An account at this Bank will be satisfactory to you, and your connection is invited.

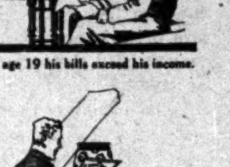
Capital $5,000,000 — We Give Service — Reserves $6,986,354

63

THOS. F. HOW, *General Manager.*

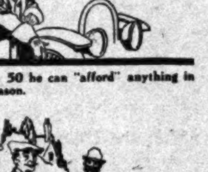
Your Finances

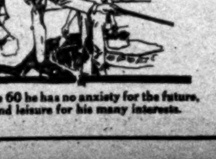
The Man who Saves


At age 19 his bills exceed his income.

At age 21 his Canada Life Policy creates a gap between income and expenditure.

At age 35 his "bills" include a "premium due" which checks extravagance.


At age 50 he can "afford" anything in reason.


At age 60 he has no anxiety for the future, and leisure for his many interests.

A man who sets aside only $200 each six months and allows it to compound at 5½% interest will have at the end of thirty years a total fund of—

Thirty Thousand Dollars

You know many people who *could* set aside $200 each six months. But—

Many a man who has had time to accumulate this moderate fortune, is still "drudging along" without it. For this reason:

Very few men will systematically "put by" a certain definite sum, and leave it untouched for any reasonable length of time. Human nature is seldom built that way.

The Canada Life Plan

Our insurance policies will provide any sum you name, to be delivered to you in cash at any age you desire or to your Beneficiary should you die in the meantime.

You can thus anticipate the years, *capitalize* your present health and earning power, and make certain of many years' progress *now*.

The Endowment at 65

issued by the Canada Life will solve the problem of your Future.

It is a Certainty

The full amount of your Policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. *The Endowment is a certainty.* The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Profits Will Hasten Maturity

A special clause in this Policy provides that if the profits be allowed to remain at your credit each year instead of being withdrawn, the face of the Policy will be payable to you some years before you reach age 65.

Whatever your circumstances may be later on in life, you will welcome this fund of a few thousand dollars. You may need it then.

Ask for particulars

Canada Life
Assurance Company
TORONTO, Canada

—FILL UP— —CUT OFF— —MAIL TODAY—
Canada Life Assurance Company,
Dear Sir,—Without obligation on my part, please send me particulars of your "Endowment at 65".
Name ... Address ... Born ... day of ...

Assessment System

The Canadian Order of Chosen Friends

A Pioneer in Successful Canadian Fraternal Societies

Features:

Whole Family Life Insurance.

The best Sick and Funeral Benefits.

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Full particulars gladly furnished by corresponding with
W. F. Campbell, Grand Organizer, Hamilton, Ont.
J. L. Davidson, Grand Councillor, Toronto
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Fort Norman Transportation

Steamboat "Crester" For Sale

Length, 50 feet; Beam, 12 feet — Equipped with Marine Engine, 6" stroke—comfortable sleeping accommodation, etc. Ready to launch at Fort Fitzgerald.

J. H. MORRIS, Broker
9748 106th Street, Edmonton, Alta.
Pouce Coupe Oil Leases

Rural Municipality of PIPESTONE

GOOD ROADS DEBENTURES

THE undersigned will receive tenders up to 6 o'clock P.M. on March 31st next for $80,000.00 of Good Roads Debentures. Interest and principal payable each year on January 1st. Debentures dated January 1st, 1921. Bidders to state offers payable at par at Bank of Montreal in Reston, Man. The Council reserve the right to reject any or all bids. For further particulars apply to the undersigned.

Dated at Reston, Man., this 21st day of February, 1921.

G. F. BIRNEY,
Sec'y-Treas. Mun. Pipestone.

DOMINION IRON & STEEL CO., LIMITED

NOTICE OF PREFERRED STOCK
DIVIDEND NO. 45

A QUARTERLY Dividend of One and Three-quarters per cent. on the Preferred Stock of the Dominion Iron & Steel Company, Limited, has been declared payable 1st April, 1921, to Shareholders of record on 15th March, 1921.

By order of the Board of Directors.

C. S. CAMERON,
Secretary.

Montreal, February 9th, 1921.

LAKE OF THE WOODS MILLING COMPANY, LIMITED

DIVIDEND NOTICES

NOTICE is hereby given that a Dividend of 1¾ per cent. on the Preferred Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending February 28th, 1921, has been declared payable on Tuesday, March 1st, 1921, to Shareholders of record at the close of business on Thursday, February 24th, 1921.

By order of the Board,

R. NEILSON,
Assistant-Secretary.

NOTICE is hereby given that a Dividend of 3 per cent. on the Common Stock of LAKE OF THE WOODS MILLING COMPANY LIMITED, for the three months ending February 28th, 1921, has been declared payable on Tuesday, March 1st, 1921, to Shareholders of record at the close of business on Thursday, February 24th, 1921.

By order of the Board,

R. NEILSON,
Assistant-Secretary.

BELDING-CORTICELLI LIMITED, MONTREAL

DIVIDEND NO. 25

NOTICE is hereby given that on the Preference Stock of this Company the Directors have declared a Dividend of 1¾%, payable on the 15th of March, to Shareholders of Record at the close of business the 1st day of March, 1921.

By order of the Board,

D. R. KENNEDY,
Secretary-Treasurer.

TOOKE BROS., LIMITED

Preferred Stock Dividend No. 36

NOTICE is hereby given that a Dividend of 1¾% on the Preferred Stock of this Company has been declared for the quarter ending 28th February, 1921, payable on the 15th March, to Shareholders of record on the 28th of February.

By order of the Board.

W. A. BROPHEY,
Acting Secretary.

Montreal, February 22nd, 1921.

INDEPENDENTS AT OUTS WITH CORPORATION

Competition for Steel Orders Is Growing Much Keener

WHY THE PRICE CUTS?

Some Theories as to The Workings Behind the Scenes in Steel Industry—Low Capacity Poor Business

By A. R. KENNEDY,
Editor "Canadian Machinery."

While the assurance has been given many times that the United States Steel Corporation and the independents are working on the best of terms, simply trying to find a new basis at which the buyers will be able to come out and take hold, the belief prevails in many places that things are none too friendly between the two interests. One Pittsburgh man tells us that the papers in discussing the question do not like to be too frank, adding that "we are not in an era of good feeling between the Steel Corporation and the independents. It sounds like a joke, but some of the independents are going around saying that the Steel Corporation cut their prices in 1920."

Steel mills do not produce profitably when running at a low percentage of their capacity. There is a certain mill overhead that cannot be altered appreciably, and the more tons going through the less per ton has to be charged to overhead.

Independent mills cannot produce steel at the price the Steel Corporation can. Some place the difference as high as $5 per ton; and when they name this figure there is good ground for believing that they are pretty close to the real facts of the case. Independent salesmen coming into the Canadian field during the time when premiums were being paid always urged their high costs as justification for the price they were asking, but it is surprising how the high cost story passed away entirely when the buyer came into possession of the market.

British steel makers are starting to prune prices, but they can move quite a distance yet before being able to meet the Steel Corporation figures. At the same time competition is coming from abroad, maybe from Germany. German steel goods are coming into this market, and they are coming into the United States market. It all points to the likelihood of the corporation arriving at a new schedule in the near future.

The Trend of Prices

Since the 21st of March, 1919, the United States Steel Corporation has been quoting 2.35 cents per pound for bars, although for part of the time the Canadian trade paid a higher rate. They are still quoting 2.35 cents, although 2 cents is the price at which many sales are being made by the independents. Figures from 1912 to 1919, covering ten years, show the average price at Pittsburgh to have been 2.04 cents per pound, but this is made possible by taking in the peak prices of war years. Taking out the year 1917, when prices went wild, the average for that period is brought down to 1.84 cents per pound. The average price in some of the prewar years is: 1912, 1.25; 1913, 1.38; 1914, 1.15; 1915, 1.31. Then the war came along—as far as the demand for steel is concerned—and the records show, 1916, 2.48; 1917, 3.49; 1918, 2.89.

The Buyers in Canada

If there was any expectation on the part of the Steel Corporation that their policy of maintaining a fairly even price during the period when premiums were piling to dizzy figures was going to hold business for them when others cut in below their schedule, it is doomed to failure. The buyers of steel are watching the market now to see when and where it is going to hit bottom, and they are likely to place business with the firm offering the lowest figure. The very nature of competitive business makes this necessary, and it is certainly the attitude of the Canadian buyer at the present moment. Any tonnage that is placed is pretty well carted around the market and all the firms take a "lowest-price" try at it. The same will hold good in the larger field, and price more than past record will determine the placing of business from now on in nearly every case.

Why Were Prices Cut?

It has become quite apparent that the volume of business secured by the independent reductions has not justified price slashing. Why, then, was it done? It is plain the independents have made a mistake, or they have not made a mistake. They might have made a mistake by thinking that a reasonable amount of business could be gathered up by cutting prices, sufficient to give something like a fair operation, and thus justify close prices. Such a result has not come. The tonnage secured by the cut is painfully inadequate.

If the independents did not make a mistake, then they expected just what has happened. What has occurred is that they secured very little business, and that the business of the Steel Corporation is greatly reduced. In November and December the corporation operated at about 92 per cent. and in January at 90 per cent. Its operations were sure to taper off, but not nearly so rapidly as they have done since the independents set out to batter down prices. Now, however, the corporation's operations were not over 80 per cent. last week, and this week they are lower and still on the way down. It will not take many weeks to put them down to 50 per cent. capacity. The independents have at least managed to muss up the corporation schedule, even if by so doing they have added nothing much to their own bookings, and some will go so far as to say the independents had this in mind when they started to take on tonnage at low figures.

Great Britain broke all records for construction of merchant vessels during 1920 when 618 ships totalling 2,055,624 tons were completed, exceeding previous record of 1913 by 142,371 tons, according to Lloyds Register of Shipbuilding.

SAYS DEPOSITS DO NOT ADD STRENGTH

President of Canadian Mortgage on New Loan Company Legislation

The attitude of the more conservative mortgage organizations which have never exercised their right to accept deposits, towards the legislative proposals to enlarge the powers already granted under Ontario charters, is indicated by the statement of President Joseph Henderson of the Canadian Mortgage Investment Company at the annual meeting of the shareholders. He pointed out, "It appears that a number of companies, though we are informed not all, have marked out for themselves a line of active development as deposit-taking institutions." Without desiring to imply criticism, he continued, "As regards this company the directors think it best that it should continue to develop, however slowly, on the same lines as it has followed hitherto. . . . For ourselves we do not think that deposits can from their very character be made a source of strength to mortgage institutions."

Mr. Henderson also referred to the fact that during the war the company had made no effort to canvass actively for money. For this there were two reasons—"First, because Government war loans had first claim, and, secondly, because since we had no deposits and no other liabilities subject to unexpected demand, we did not feel ourselves under any compulsion to enter upon an expensive quest for funds."

PAPER SECURITIES LEAD IN A BROAD MARKET REACTION

Continued from page 1

moment is uncertain, and there is little to inspire confidence in a speedy readjustment. The New York markets have been unsettled throughout the week, and have not served to act as a constructive force to the Canadian exchanges, although little, if any, movement this week can be traced to the influence of Wall Street.

On the whole there has been a marked lack of any force or influence that would serve to bear the markets out of their present floundering state. A prominent shipping firm has decided to pass dividends on the common, and the stock has suffered in consequence. The markets had scarcely recovered from the unfavorable effect created by the failure of a Montreal brokerage house a week ago, when further disquietude is precipitated through a similar cause. Announcement is made from Montreal of the failure of the firm of Macdougall Brothers, stock brokers. This firm is said to be a small factor in Montreal business, but with the markets suffering from highly nervous tension the incident could not pass without its depressing effect. The business and clientele of this firm are of a restricted nature and it is expected that little, if any, liquidation of securities will follow the winding up of business. While one of the oldest firms in the city, it is stated that it has done little business for some time past.

Service On Victory Bonds

Our Victory Department will give you at any time, the exact quotations of all Victory issues now traded in on the open market, either to buy or to sell.

We will buy any Victory Bonds on our partial payment plan.

Write for particulars

Greenshields & Co.
INVESTMENT BANKERS
14 King Street East, Toronto
Montreal ◆ Ottawa

New Issue. ***To Prospective Shareholders***

The Liberty Tire & Rubber Company of Canada, Limited

(Incorporated Under the Laws of the Dominion of Canada)

CAPITALIZATION

Authorized Capital - - - - - - - - $500,000
Par value $10.00 per Share Divided as follows:
Preferred Stock—8% cumulative, participating - $250,000
Common Stock - - - - - - - - $250,000

A bonus of 25% common stock is given with the purchase of the PREFERRED STOCK

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VICE-PRESIDENT
MAX ROTHSCHILD, of Rothschild & Son, Wholesale Liquor Dealers, Montreal

SECRETARY-TREASURER
HARVEY THOMPSON, Director, The Canadian & Home Traders, Limited, Dorval

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LEO J. GORMAN, Attorney, Dir. and Atty. Liberty Tire & Rubber Co., U.S.A. - - Philadelphia, Pa.
COL. F. WEEKS, Vice-President Liberty Tire & Rubber Co., U.S.A., Philadelphia, Pa.
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AUDITORS
P. C. SHANNON, SON & CO., Auditors, Accountants - - - - - Montreal

BANKERS
ROYAL BANK OF CANADA - - - - - - - - - Montreal

MANAGEMENT—PURPOSE OF ISSUE—EARNINGS

MANAGEMENT

The Liberty Tire and Rubber Co. of Canada, Ltd., have secured the services of practical business men to carry out the development plans of the organization.

MARKET

It is intended that the business of the Company will be in no way local, as its products will be handled by the best known dealers and service stations throughout the country. The product is absolutely essential to the automobile trade, one of the most important industries in the United States and Canada, and the Liberty Tire and Rubber Company has a most brilliant future making a patented article of a revolutionary nature that the world has long hoped for.

ESTIMATED EARNINGS

The factory unit will have a capacity of 300 tubes per day. The earnings therefrom, as estimated by the Company, will amount to $250,000. These earnings will enhance the market value of the stock and bring a good premium.

Among the 500,000 resident car owners using five tires and six tubes per year, the more desirable makes can command prices sufficiently high to provide profits materially larger than are usually realized in times of normal demands. We feel confident, moreover, that by maintaining the MAC-TAG standards of design and workmanship, we shall at all times, regardless of the general market, be able to command good prices. Our capitalization is very moderate for an enterprise of this scope, and, judging by the probable production, we estimate that the Company's earnings on the outstanding capital will give a splendid earning capacity and high market value on the stock.

HERE'S PROOF A-PLENTY

Two hundred million dollars' worth of tires and tubes are wasted through inefficient use every year.

Millions of people were put to unnecessary inconvenience, business men missed appointments, or trains, or lost deals; merchandise deliveries were delayed and thousands of people were injured or killed in accidents caused by punctures and blowouts—the bugaboo of motoring—last year.

The average American citizen has experienced a number of unaccustomed jolts during the past few years, and it is a painful realization that the majority of the big things the world is now working with are first of all his, to keep or throw away—and he threw them away.

Much waste could be avoided by wearing tires down to the fabric. Life, time, money and patience could be saved by discounting tube trouble, and all this is made possible—by using MAC-TAG Tubes.

The Liberty Tire and Rubber Company of Canada will manufacture their special product, the MAC-TAG Puncture and Blow-out-proof Inner Tube, and supply the market with a product that meets a long-felt want.

You can participate in this new era of automotive improvement and benefit at this time by developments already created by taking advantage of the offering contained herein.

PRESENT SUBSCRIPTION TERMS:

Under the terms of this offering the price is subject to advance or withdrawal without notice. Orders for this stock cannot be confirmed unless accompanied by deposits of at least 25% of the purchase price.

Price $10.00 Per Share

Write for further Information and Literature to JOS. O. GOURRE, Fiscal Representative

311-311a Transportation Bldg. Main 7824

LABOR THE BIG COST FACTOR IN STEEL PRODUCTS

Iron Ore, the Basic Material, Is Worth Very Little

THE READJUSTMENTS

Argument to Hardware Retailers That Strategic Loss is Essential to a Successful Businesss Offensive

That a strategic loss is essential to an effective offensive in present business conditions is the view held by B. J. McCormick, general sales manager of Canada Foundries and Forgings, Limited. Speaking to the Ontario Retail Hardware Association in Hamilton a few days ago, Mc McCormick said in part:

All the ablest theorists and members of the oldest and wisest schools of economics have guessed during the last three months about what was the matter with industry, and what would happen within the near future. You ask for my opinion, but all I intend to do is to discuss the matter with you.

There are several viewpoints from which to look into 1921. The productive and distributing machinery of Canada is very finely balanced and it is a well-known fact that all industry and commerce prospers and suffers together. We have experienced seven-year periods of depression or trade fluctuation. The average length of previous depressions has been about one year, some of shorter periods and some longer.

Reconstruction

Most merchants seem to think that one big slash in prices would have the same effect as a fairy waving her wand, that all our troubles would at once vanish and be over, and that our readjustment would be completed. A good many of us thought that the year 1920 was to be the readjustment period, but we were all wrong. The year 1920 started with an unprecedented demand for every article known to commerce, and factories were so crowded with work that they had no time to readjust. In fact, labor asked for and received more concessions in 1920 than during any previous year of the war.

Then came the shock, and industry immediately went into low gear about October, and here we are.

My opinion is that this is the real period of readjustment, and our whole industrial and commercial structure is being tested by the strain, but those who have builded wisely and well have no cause for alarm.

It Rests With Steel

My personal vision of the future is bright, pleasant and a reassuring one, but the process of reconstruction must continue until every factor contributes to the result which we attain. Wheat, cotton, tobacco, sugar, leather, rubber, lumber, tea, and coffee and other raw materials, including copper and zinc, have taken a big slump in the last three months, some of them going even below pre-war prices, but I wish to call your attention to the one point which I wish to impress upon you to-day, and that is, that iron ore is the only raw material which has held firm.

Why? Because wages have not been revised by the steel interests who perform the first seven processes of this great industry.

Manufacturing implies buying. If nobody wants to buy what the factories make, the factories very soon have to switch off the power and put a padlock on the door. There never has been a time and there never can be a time when nobody wants to buy; but enough people can stop buying, or can curtail their buying, to make a big dent in manufacturing processes and that is just what has happened in this country at this time.

Buying is based on confidence—confidence that prices are fairly stable—that they will not decline recklessly over night. This is true of both individuals and of corporations. It is clear that business and industry in general must take certain broad steps before confidence is returned. It remains for the industry, whether it be manufacturer, jobber, or retailer, that has not already done so, to make the plunge; to sacrifice if sacrifices are necessary, but in any event to get back again on a workable basis of confidence. What we all want to know to-day is when will that period of relative stability likely be reached, and then and only then will the wheels of commerce speed up.

Pig Iron

This is an expression used by most hardware buyers, "Pig iron is down [illegible]

phrase and generally used as an opener with most of the hardware salesmen. Do not use this poor, old, hackneyed phrase because it shows at once that you are not familiar with the basic principles of your own business, and it makes you look like a man coming into a ball game at the seventh inning, and asking your neighbor what is the score. It would be just as reasonable for you to ask the price of iron ore at Lake Erie ports, or even more reasonable still to ask what is the rate of pay at the mines at Oliver, Minn.

The foundation of the whole structure known as the steel industry is what is commonly called labor. Physical application of human energy, plus intelligence, knowledge and skill, applied to material things such as woods and metals.

Labor is the greatest contributing factor to costs in our industry to-day, and, in fact, the determining one, with transportation coming next. Labor again is the chief factor in transportation charges.

The United States Steel Corporation in its system of cost practice values iron ore in the ground at only ten cents per ton because it is only just plain mud. They reason that by the application of human energy, plus intelligence and skill, and aided with modern tools and equipment and with a further application of heat, that they can convert this mud into merchant bar and pass it along to the general steel working industry at a profit.

Remuneration

The man who first takes a rough bar of wrought iron may be a blacksmith who has only partly learned his trade and has no ambition to rise above the anvil. The best possible thing he can do with his bar of iron is to make it into horseshoes, and he congratulates himself upon his success. He reasons that the rough lump of iron is worth only three or four cents per pound and that it is not worth while to spend much time or labor upon it. However, his enormous muscle and small skill has raised the value of this lump of iron say from $1 to $10.

Along comes another artisan known as a cutler, with a little better education and a little more ambition, and looking at the blacksmith and his

Continued on page 19

SALT SUPPLY FOR EASTERN FISHERIES

Important Discovery Made in Cumberland County, Nova Scotia

The discovery of rock salt in Cumberland County, Nova Scotia, has attracted considerable attention. The deposit lies in what is known as the Malagash peninsula on the north shore of Nova Scotia, opposite Prince Edward Island, and due west from the town of Pictou. The discovery was first made by farmers drilling for water, but it was not until 1917 that systematic exploration was commenced. Subsequently, the department of mines, made a thorough investigation and report upon the district. The body of salt is some 400 feet in thickness and extends for at least 3,500 feet east and west. The situation is advantageous, with regard to Eastern Canada and Newfoundland fisheries which consume about 125,000 tons of salt annually. At present the fishery salt for these markets is imported from Europe and the West Indies. The presence of potassium salt in the Malagash deposit is of great importance and the possibility of producing concentrated potash is very promising.

This discovery constitutes practically the only source of salt supply nearer than Ontario or Europe, which can become available for the fishing industries of Canada's east coast. The significance, therefore, and the importance of this location cannot be overlooked. A memoir issued by the department of mines and prepared by A. O. Hayes states in part as follows:—

"Canada at the present time imports over half of her annual consumption of salt. This amounted in 1918 to 165,494 tons, valued at $1,267,169. Seventy-five per cent. of this was used on the Atlantie seaboard and Gulf of St. Lawrence for the fishing industry. The average value of this salt at point of shipment at 1918 was approximately $8.15 per ton of 2000 pounds. The ocean freight rate to bring this salt to Canadian points of distribution would bring the cost up to, at least, $10 per ton. This price will probably be a normal price for salt for fisheries for a number of years to come—the sale price during the war times ranging between $15 and $25 per ton. If, therefore, a deposit of salt can be developed in a centrally located point in Nova Scotia, and a grade of salt produced suitable for the fishing industry a market of some 75,000 tons, valued at $750,000, should be available. In addition to the above the fishing industry of Newfoundland consumes according to reports [illegible]

IF CANADA NAMES AN AMBASSADOR AT WASHINGTON

He Will be Duly Installed In Office, Says Doherty

NO ONE N SIGHT

Borden and Rowell Said to Have Refused and Ottawa Seems Disposed to Mark Time

By Resident Representative.

OTTAWA.—The question when, if ever, Canada is to secure separate representation at Washington, as well as the matter of trade representatives or consular agents in the various capitals of the world was discussed in the House of Commons this week. For nearly three years now the matter of a Canadian representative to Washington has been hanging fire. There are still some traces of connection between the two countries remaining over since the war, as one gentlemen remains there in solitary splendor to represent the Canadian War Mission, and the New York branch of the Department of Information is still being maintained; but the promised direct Canadian ambassador has never been appointed, although the grant to pay for the expenses of the office was passed last session.

The matter was brought up in the House this week by Hon. Rodolphe Lemieux, who said that if Canada was a nation we should have the right to appoint consular agents or consuls in the various countries of the world, to look after the trade of Canada. Last session the Government had a narrow shave from defeat—by only five votes—on the question of representation at Washington. Hon. Mr. Lemieux stated that the ink signing the approval of Parliament to this proposal was not dry on the paper before protests were made by the British Ambassador at Washington and the Colonial Office and Foreign Office in London. Urged by Mr. Lemieux to state when the ambassador would be appointed, the Minister of Justice stated: "As soon as Canada decides who is to be named." The member for Maisonneuve insists, however, that the ambassador will never be appointed; and if he were it would lead to endless embroilments with both the Mother Country and the United States.

A Guiding Hand

It is suggested that the visit here last summer of Mr. Amery, Colonial Under-Secretary, had a deeper significance than merely attendance at the West India conference. He was supposed to exercise a guiding hand, as a well-known Imperialist, and see that Canada did not go too far on one of her first essays on the path of nationhood.

What appears to be equally important with the appointment of consuls is the appointment of trade representatives in the United States. It is understood that one of the plans of the new Commissioner of Commerce is along that line; but whether he will effect it under the Minister of the Department of Trade and Commerce is a question, although Sir George himself in a recent speech in New York pleaded plaintively for our American neighbors to buy more from us.

So far as the appointment to Washington goes, the fact appears to be that Hon. Mr. Doherty's answer to Mr. Lemieux was a perfectuly truthful one, so far as it goes. Both Sir Robert Borden and Hon. N. W. Rowell are believed to have refused the position. Others have been mentioned, students of international politics, like Sir Edmund Walker, but there is rather a scarcity of such in Canada, and some of those available are too old for the position. The position is one with such possiblities for trouble that the Government is wise in going carefully.

ALBERTA IRRIGATION

Only One Scheme Ready for Government Assistance

By Resident Representative

EDMONTON.—It is thought unlikely that more than one irrigation scheme in Southern Alberta will actually be ready for financial assistance from the provincial Government this year. This will be the Lethbridge Northern, which has its debentures now on the market but is asking for larger Government guarantee to help sell them. Of six other projects more or less definitely headed up only two have advanced far enough to have effected organization and they have still to make final s[illegible] [illegible]pare their estimate[illegible]

for by the Irrigation Act must take its course.

The legislature at its present session will take up the question of direct aid to the Lethbridge project and will determine the measure of responsibility the Government will assume in the marketing of its $4,500,000 bond issue. There will then follow a consideration of the Government's permanent irrigation policy, and the several other schemes will come under the operation of that policy as they, one by one, are ready for it.

Great Britain's coal exports in 1920, exclusive of bunkers, coke and patent fuel, were valued at 99,627,146 pounds. This sum was 16,500,000 pounds greater than value of corresponding exports in 1919, and 49,000,000 pounds above value of coal exports in 1913. In tonnage exported, however, returns for 1920 were almost one-third less than in 1919.

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Principal and interest are payable at the Merchants' Bank of Canada, the Standard Bank of Canada, the Banque Provinciale du Canada and the Banque Nationale, in CANADIAN CURRENCY.

The bonds may be registered as to principal, free of charge.

Legality—S. G. Archibald, K.C., Paris, and Messrs. Kavanagh, Lajoie & Lacoste, Montreal.

The proceeds of the loan are wholly and solely applied to the purchase of Canadian products by a French Mission having its office in the Credit Foncier Building, 35 St. James Street, Montreal.

Subscriptions received at the various offices of

L. G. BEAUBIEN & CO., Ltd.
50 Notre-Dame St. West, MONTREAL — 70 St. Peter St., QUEBEC — 153 Notre-Dame St., THREE RIVERS

MUNICIPAL DEBENTURE CORPORATION, LIMITED
7 Place d'Armes, MONTREAL — 124 St. Peter St., QUEBEC

CREDIT CANADIEN, Incorporated
99 St. James Street, MONTREAL

VERSAILLES-VIDRICAIRE-BOULAIS (Limited)
Versailles Building, MONTREAL — 80 St. Peter St., QUEBEC — National Bank Building, OTTAWA

CANADIAN STOCKS

Quotations of listed Securities on Montreal and Toronto Stock Exchanges, with prices at closing on Feb. 22. n stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active.

Capitalization: Preferred	Capitalization: Common	Capitalization: Bonds and Debentures	Div. Rate	Yield to Feb. 15	COMPANY	Range 1920 High	Range 1920 Low	Range 1921 to Feb. 15 High	Range 1921 to Feb. 15 Low	Close Feb. 22 Ask	Close Feb. 22 Bid	Week ending Feb. 22 High	Week ending Feb. 22 Low	Week ending Feb. 22 Close	Sales
...	5 000 000	6 160 600	6	12.12	Abitibi Power & Paper com	87	49⅛	58	44	43	42	49¼	38½	39	16,804
1.000 000	...	...	7	7.86	Abitibi Power & Paper pref	99	85	89	86¼	...	...	...	...	...	...
...	6 594 300	...	...	...	Amer. Cyanamid com	36	33	...	...	...	...	...	...	...	...
994 200	...	...	6	9.67	Amer. Cyanamid pref	65	62	62	...	...	...	...	...	...	...
...	3 500 000	1 473 666	...	...	Ames-Holden com	137⅛	10	25	20	...	...	...	...	...	...
2,500 000	...	...	7	...	Ames-Holden pref	114¾	27	45⅛	30	...	...	33	30	30	293
...	614 660	537 442	...	...	Amer. Salesbook com	7½	5	...	...	...	...	...	...	...	...
3,073 300	...	...	7+1¾	9.33	Amer. Salesbook pref	83 4	70	77	72	75	74	75	75	75	39
...	3 000 000	2 940 000	6+1¾	8.00	Asbestos Corp. com	103	64	82½	75⅛	75½	75	79	75	75	150
4,000 000	...	...	8	8.51	Asbestos Corp. pref	108	83	95	88⅛	91⅛	91	93	90	90	475
...	3 500 000	1 345 000	10	...	Atlantic Sugar com	164	16	33¼	20¼	30	29½	31	28	30⅛	5,445
2,500 000	...	...	7	8.28	Atlantic Sugar pref	184	24½	...	...	...	...	34	34	34	50
8,483 500	27 450 000	54 063 875	...	...	Barcelona Traction	9¼	3¼	5⅞	4	5½	5¼	5⅝	5½	5¼	873
...	22 336 300	11 149 000	8	7.47	Bell Telephone	111¼	100	112	99¼	108	106	107	106½	106½	221
...	4 282 200	...	6	13.63	B. C. Fishing	66	34¼	46	38	45	44	45	41½	45	216
10000 000	106 566 300	77 192 132	...	...	Brazilian Traction com	51¼	28	36	30⅞	34¼	33¾	34⅛	33½	33⅞	2,553
...	1,278 700	17 234	10	9.34	Burt. F. N. com	110	88	109	101½	106⅜	104	106⅜	105	106⅜	17
1,446 500	...	...	7	6.60	Burt. F. N. pref	110	90	108	96½	106	104	106	106	106	15
2,000 000	7 000 000	2 375 000	7	13.46	Brompton Paper	85	42¼	57¼	49½	...	52¾	53	50¼	51¾	18,583
...	2 500 000	1 146 872	...	...	Canada Bread com	32½	19	22	19¼	20⅛	20	19½	19½	19½	10
1 250 000	...	...	7	8.04	Canada Bread pref	86½	84	87	85	...	85	88	87	87	14
...	4 975 000	7 757 822	...	...	Can. Car & Fdry com	74	29	43	31	...	30	33⅛	30	30	65
7 500 000	...	...	7	9.85	Can Car & Frdy. pref	109	67	79	64	72	71	72	70	72	255
...	13 500 000	6 509 573	6	10.52	Canada Cement com	75	54¼	67¾	56⅛	59	58	60¼	57	58⅛	2,063
10 500 000	...	...	7	7.52	Canada Cement pref	100	88⅛	94	90	92½	91	93	91	91	109
...	1 733 500	399 000	7	11.11	Can. Converters	80	51	65	59	63	...	63	62	62¾	40
...	2 805 500	9 500 000	...	...	Can. Cons Rubber com	100	87¾	...	...	...	...	...	...	...	...
3 000 000	...	...	7	7.00	Can. Cons. Rubber pref	95	92	...	...	...	...	...	...	...	...
...	2 715 500	4 567 105	8	10.12	Can. Cottons com	100	71	80	72	...	...	...	...	...	...
3 661 500	...	...	6	8.21	Can Cottons pref	83	66	74	70	...	78	74	74	74	5
...	960 000	173 200	12	...	Can. Forgings, com	257	75	...	...	...	...	...	...	...	...
960 000	...	...	7	7.60	Can. Forgings, pref	92	91	...	...	...	...	...	...	...	...
...	8 000 000	...	8	7.47	Can. Gen. Electric com	109	93¾	108	94	107⅛	106⅛	107⅛	106	107	239
2 000 000	...	...	7	7.00	Can. Gen. Electric pref	104	90	100⅛	90	...	100	100¼	100¼	100¼	20
...	2 000 000	1 500 000	8	9.30	Can. Locomotive com	100	80	86	82	88	...	84	84	84	2
1,500 000	...	...	7	7.86	Can. Locomotive pref	95	80	89	83	...	86	86	86	86	13
80,681 921	260 000 000	271 934 882	10	7.46	Can. Pacific Railway	142	125	141	129½	135¼	134⅛	135¼	134	134	344
...	800 000	369 000	8	9.14	Can Salt	147	85	87⅛	...	90	89	89	89	89	4
...	12 000 000	7 979 619	7	...	Can. Steamships com	80¼	34	50⅛	33⅛	34	33¾	38	27⅞	30	10,972
12 500 000	...	...	7	10.29	Can. Steamships pref	85	60½	74	65	67⅛	66½	69	66	66⅛	1,236
...	1 200 000	454 500	...	...	Carriage Fact. com	49⅛	7½	20	12	...	...	...	...	...	...
1 200 800	...	...	...	...	Carriage Fact. pref	90½	72¾	65¾	...	...	...	...	...	...	...
...	565 000	...	...	...	City Dairy com	62	50	60	55	...	...	...	...	...	...
700 000	...	...	7	8.75	City Dairy pref	99	85	82	80	...	...	...	...	...	...
...	5 360 700	...	10	7.14	Consumers Gas	150	125	140	124¾	...	139	140	136½	140	35
...	6 212 666	...	6	10.90	Crow's Nest Coal	59⅞	40	55	45	53	50	50	50	50	25
...	15 000 000	35 757 500	8	8.60	Detroit United Rly	113¾	79¾	96	88	95	93	92	88	90	115
...	6 500 000	...	8	8.30	Dominion Bridge	115	69	92	76	86	...	86½	85	85	653
...	2 796 300	1 719 410	...	...	Dom. Canners com	66¼	26	45	34	39	...	35½	35	35	135
2 290 600	...	...	7	8.75	Dom. Canners pref	90	79	80½	78	...	...	...	...	...	...
3 000 000	15 000 000	5 864 500	7	8.95	Dominion Coal pref	97½	70	78½	63½	...	78	78	78	78	24
...	4 250 000	1 683 363	6	9.83	Dominion Glass com	69¼	57	64	56	...	60	61	60	60	150
2 600 000	...	...	7	8.64	Dominion Glass pref	91	82¼	82	77½	...	82	83	83	83	5
5 000 000	25 000 000	13 434 313	7	9.33	Dominion Iron pref	92	65	76	68	75¼	74	76	75½	75½	58
7 000 000	37 100 000	20 450 682	6	12.50	Dominion Steel Corp	82½	39	49	41⅛	46¼	45½	48¼	44¾	45	2,351
...	1 000 000	...	6	7.05	Dom. Telegraph	91¾	80	85	81	84	82	84	84	84	20
...	5 000 000	4 767 500	10	9.25	Dom. Textile com	146½	96½	111	104	108	107	109	107	107	105
1 940 600	...	...	7	7.29	Dom. Textile pref	105	89	96	89½	...	97	96¾	96¼	96¾	10
1 500 000	3 500 000	3 500 000	4	...	Duluth Superior	28	12	14	12¾	...	13½	13¾	13¾	13¾	30
...	2 250 500	950 000	...	...	Goodwins com	35	26	...	...	...	...	...	...	...	...
1 750 000	...	...	7	9.33	Goodwins pref	95	75	...	...	...	...	...	...	...	...
...	1 000 000	225 000	...	...	Holt Renfrew com	70	62	...	...	...	...	...	...	...	...
1,000,000	...	...	7	8.75	Holt Renfrew pref	85	80	...	...	...	...	...	...	...	...
...	2 500,000	800,000	8	7.84	Howard Smith Paper com	167	74¾	110	100	95	94	102	95	95	526
1,500,000	...	...	8	8.69	Howard Smith Paper pref	107½	91	92	91	...	91	92¼	90	91¾	358
7,289,500	...	...	6	8.45	Illinois Traction pref	70	64	71¼	65	71	70	71	70	70	260
500,000	6,267,005	...	25c.	...	International Petroleum	82	20	...	...	...	...	...	...	...	...
...	2,198,018	1,902,500	8	8.69	Kaministiquia	97	83½	93	92	...	...	92¼	90½	90½	20
...	2,800,000	900,000	12	7.74	Lake of the Woods com	220	130	155	135½	155	152	154⅛	152	152	65
1,500,000	...	...	7	7.10	Lake of the Woods pref	112	93¾	98½	94	...	...	...	...	...	...
...	9,600,000	565,778	6	6.66	Laurentide Paper	125	81	95	89	86⅞	86½	90	83¾	84	3,925
1,300,000	1,750,000	934,900	8	11.26	Lyall Construction	99	35	75	47½	69	65	74	65	65¾	385
2,388,600	3,000,000	...	...	...	Macdonald A. com	44¼	19	25	20	25	...	25	24	24	66
...	41,380,400	...	6	7.77	Mackay com	79⅛	67¼	80	69	77½	76⅛	78⅛	76¾	77	275
50,000,000	...	...	4	6.34	Mackay pref	74	61	65	63	...	64	64½	64	64	152
...	2,500,000	...	12	8.27	Maple Leaf Mill com	196	133	146	138	145	...	145¼	145	145	65
2,930,000	...	...	7	7.14	Maple Leaf Mill pref	104	92	98¼	93	...	98	98	98	98	20
...	1,275,000	...	...	...	Monarch Knitting com	75	60	...	...	...	...	...	...	...	...
750,000	...	...	7	8.75	Monarch Knitting pef	90	85	80	76½	...	...	...	...	...	...
...	2,949,600	...	6	8.00	Montreal Cottons com	87	78	75	...	75	69½	72	70	72	14
2,949,600	...	...	7	7.36	Montreal Cottons pref	105	90	95	90	...	92	92	92	92	5
...	64,126,100	...	5	5.98	Montreal L.H. & P. cons	90	76	86	81⅛	82	81½	83¾	81	81⅛	1 675
...	2,000,000	...	8+⅛	7.20	Montreal Telegraph	124	110	111⅛	110	...	113	112	112	112	43
...	3,861,070	36,608,153	10	7.40	Montreal Tramways	155	125	140	125	135¼	135	140	135½	135½	117
...	2,254,300	1,580,000	4	7.69	National Breweries com	70	39¼	56⅛	48⅛	51⅛	51	53½	49½	49¾	3,976
2,775,000	...	...	7	7.36	National Breweries pref	97	93	...	...	...	...	...	...	...	...
...	2,000,000	...	...	...	Nat. Steel Car com	12	3	5⅛	4	5⅛	5	5⅛	5	5	65
1,500,000	...	...	7	...	Nat. Steel Car pref	41½	21	28	22	...	...	...	...	...	...
...	15,000,000	11,102,437	5	11.90	N. S. Steel & Coal com	80	33½	42	37	44	43	44	42	44	185
1,000,000	...	...	8	10.00	N. S. Steel & Coal pref	107	75	80	...	...	...	...	...	...	...
...	2,500,000	2,350,000	12	5.66	Ogilvie Milling com	280	175	212	180	...	202	214	200	200	270
2,000,000	...	...	7	6.93	Ogilvie Milling pref	105½	97	101	99	...	99	101	101	101	35
...	750,000	538,200	8	12.12	Ont. Steel Products com	89	50	70	58	66	65	66	65¼	65¾	25
750,000	...	...	7	7.95	Ont. Steel Products pref	89½	89	88	...	...	...	...	...	...	...
...	3,500,000	2,125,000	6	8.57	Ottawa L. H. & P.	81	70	72½	70	70	...	70	70	70	105
...	650,000	...	2	5.71	Pacific Burt. com	42	30¾	35	34	...	...	...	...	...	...
650,000	...	...	7	8.97	Pacific Burt. pref	85	76	79	76	78	77	78	78	78	36
...	2,150,600	2,000,000	8	7.92	Penmans Ltd. com	148½	93	102	95	110	100	102	101	101	226
1,075,000	...	...	6	7.40	Penmans Ltd. pref	91½	74	81¾	78	...	78	81	78½	81	15
...	749,500	...	...	...	Port Hope Sanitary c	27	25	...	...	...	...	...	...	...	...
400,000	...	...	7	...	Port Hope Sanitary pre	42	30¼	...	...	...	...	...	...	...	...
...	3,000,000	3,837,666	4	...	Porto Rico Rlys. com	50	28½	42½	37	45	...	46	42½	45	337
1,000,000	...	...	7	9.09	Porto Rico Rlys. pref	79	60	77	64	76	...	78	75	75	20
...	8,534,200	5,372,098	8	3.22	Price Bros	385	250	253	248	...	...	...	...	...	...
...	2,481,300	95,000	6+1	6.31	Provincial Paper com	132	80½	95⅛	87¾	102	97⅛	102	97	97½	137
1,700,000	...	...	7	7.95	Provincial Paper pref	100	85	87⅛	...	87¼	87⅛	87¾	87¾	87¾	5
...	9,999,500	11,045,000	...	...	Que. Railway L.H.	36¾	18	28¼	22	...	27	27¼	26½	26½	1,420
...	4,500,000	5,909,400	10	6.92	Riordon Paper com	226	126⅞	160	126¾	135	...	136	124½	130	1,077
1,500,000	...	...	7	8.75	Riordon Paper pref	101½	83	80	...	81	80	78	78	78	4
...	1,500,000	502,000	...	...	Rogers Wm. com	71	52	55	53	55	50	54	54	54	10
1,122,800	...	...	7+1¾	8.23	Rogers Wm. pref	102	80	87	5	87	84	87	87	87	8
...	800,000	...	7	9.33	Russell Motor com	89	70	...	...	...	...	...	...	...	...
1.200,000	...	...	7	12.72	Russell Motor pref	98	40	65	46	...	...	...	...	...	...
...	1,500,000	478,868	...	...	Sawyer-Massey com	20	13	19	13	13	...	13	13	13	55
1,500,000	...	...	...	...	Sawyer-Massey pref	67¼	35	54	45	53	...	53	50	50	51
...	20,000,000	9,353,261	7	6.54	Shawinigan W & P.	119½	97½	109⅛	104⅛	106⅛	106	106⅛	106	106	975
...	4 000,000	2,226,006	6	7.50	Sherwin Williams com	119	75	88	80	82	...	85	72	72	150
3,425,000	...	...	7	7.69	Sherwin Williams pref	100	85¾	91½	87	...	...	...	...	...	...
...	8,750,000	...	8	6.29	Shredded Wheat com	142	130¾	130	127	130	126	128	125	128	58
1,250,000	...	...	6	6.12	Shredded Wheat pref	98	98	...	...	...	...	...	...	...	...
...	8,000,000	10,332,113	7	8.75	Spanish River Pulp com	129	75	89¼	77⅛	74¼	73¾	80½	71	72¾	6,621
5,699,100	...	...	7	7.86	Spanish River Pulp pref	149	82	95	88½	85½	84½	89	84½	85	3,426
...	11,500,000	8,562,225	7	11.29	Steel of Canada com	88½	54¾	64	59	63	62¼	63½	61	61¾	618
6,496,300	...	...	7	7.52	Steel of Canada pref	01½	85¾	93½	86½	...	92	93	92¼	93	77
...	1,200,000	160,590	6+1	8.57	St. Lawrence Flour com	139	59	75½	61½	70	...	70	69½	70	33
575,000	...	...	7	7.95	St. Lawrence Flour pref	98½	92	90	85	...	...	...	...	...	...
...	7,894,000	1,440,000	...	...	St. Maurice Paper	170	123	120	...	100	...	119	95	95	340
...	650,000	...	...	...	Tooke Bros. com	86	67	57	50	60	56	50	50	50	45
985,000	...	...	7	8.97	Tooke Bros. pref	91	83	78	75	79½	...	78	78	78	10
...	12,000,000	2,502,306	...	...	Toronto Railway	65	35	74	59½	69¼	69	72⅛	69	69	1,984
...	2,500 000	...	4	8.00	Tuckett Tobacco com	57½	41	52	41	52	50	50	50	50	5
2 000,000	...	...	7	8.43	Tuckett Tobacco pref	93	87¼	83	82	...	...	...	...	...	...
3,000,000	22,000,000	20,213,000	...	...	Twin City com	49	31½	47	43½	47	46	46½	46	46½	128
...	1,750 000	891 000	4	8.00	Wabassa Cotton	135	48	50	42½	...	...	...	...	...	...
...	5,000,000	3,302,600	6	7.22	Wayagamack	150¼	71	89	76½	77	76¾	83	75	75	600
...	2,449,588	1,371,55[illegible]	8+15	6.66	West. Can. Flour	145	105	...	...	...	...	...	...	...	...
...	9,000,000	10,130,000	...	...	Winnipeg Rly	38	26	48	36	...	45¼	47	45	46	325
...	1,500,000	600,000	1½+2	4.13	Windsor Hotel	100	70	145	120	...	...	...	...	...	...
...	1,718,600	410,000	8+5	8.00	Woods Mfg. com	110	9[illegible]½	...	...	...	...	...	...	...	...
1 546 500	...	...	7	8.53	Woods Mfg. pref	86	78¾	...	...	...	...	...	...	...	...

BANKS

Capital	Reserve	Div. Rate	Yield to Feb. 15	BANKS	Range 1920 High	Range 1920 Low	Range 1921 to Feb. 15 High	Range 1921 to Feb. 15 Low	Close Feb. 22 Ask	Close Feb. 22 Bid	Week Ending Feb. 22 High	Week Ending Feb. 22 Low	Week Ending Feb. 22 Close	Sales
15,000,000	15,000,000	12+1	6.42	Commerce	199½	173¼	200	179¾	187	186	183⅛	186½	188	300
6,000,000	7,000,000	12+1	5.97	Dominion	206	190	204	191½	202	...	201	200	200	71
4,000,000	4,200,000	12	6.52	Hamilton	194	168	185	169¾	...	180½	180½	180⅛	180½	22
4,000,000	4,000,000	10	6.62	Hochelaga	158½	151	153	151	...	...	...	...	...	...
7,000 000	7,500 000	12	6.38	Imperial	200	184	190	185	189	187	187	187	187	30
10,029,622	8,400,000	12	6.74	Merchants	203	158	182	168	178	...	177	175	175	60
4,000 000	5,000,000	12	6 66	Molsons	194	169	180	168½	...	174	180	179½	180	25
22,000,000	22,000,000	12+2	5.71	Montreal	220½	185	212	195⅛	...	208	210	209	209	267
2,000,000	2,300,000	12	7.22	Nationale	174	162¾	174	165	...	...	170	170	170	14
9,700,000	18,000,000	16	6.15	Nova Scotia	273	243	265	249	260	258	260	259⅞	260	19
20,134,010	20,134,010	12+2	6 00	Royal	233½	189½	208	193½	201	200	201	200	201	87
3,500,000	4,500,000	14	7.00	Standard	222	200	205	198	201	...	200	200	200	121
5,000,000	6,000,000	12	6.28	Toronto	197	179	192	182	...	...	...	...	...	...
8,000,000	6,000,000	10+2	6 41	Union	161	139	160⅛	146	159	...	159	156	159	77

LOAN, TRUST AND INSURANCE

[Loan,] Trust and [Insu]rance	Div. 1920	P.e Div Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale	Loan, Trust and Insurance	Div. 1920	Pres. Div. Rate	Range for 1920 High	Range for 1920 Low	Latest Price Ask	Latest Price Bid	Last Sale
[..]anada Landed	10	10	150¼	110	135	133⅛	135	Montreal Loan	12	...	165	155	...	165	155
[..]anada Permanent	10	10	178	157	184	178	18[illegible]	National Trust	11	12	230	198	195	190	198
[..] Canada	10	...	...	...	...	...	...	Ontario Loan	10	10+½	160	155	...	160	160
[illegible]		6	82	67	...	77	77½	Real Estate Loan	7	7	95	92	...	...	92
[illegible]		5	72	72	...	70	72								
[illegible]		...	...	...	...	...	89½	Toronto General Trusts	10+1	12	211	196½	200	195	180
[illegible]		9	[illegible]6	145	145	140	140	Toronto Mortgage	9	9	135	129½	...	132	132½
[illegible]		6+½	11[illegible]½	[illegible]0	...	11[illegible]½	112½	Toronto Savings	10	[illegible]	...	...	...	...	18[illegible]
[illegible]		8	14[illegible]	141	40	137	137	Union Trust	7				...	100	
[illegible]			126	11[illegible]	12[illegible]	117	120	Confederation Life	20		310	300	...	...	

The Security Life Insurance Company of Canada

SYNOPSIS OF ANNUAL REPORT FOR 1920

During the year the applications for New Insurance, Increases and Revivals amounted to $2,204,900. The amount actually accepted and issued was $2,023,100.

The Gross Insurance in force at the end of the year was $4,513,132, an increase for the year of $1,500,695, being over 74% of the New Business issued.

The Gross Cash Premium Income for the year was $112,648.46, an increase over the previous year of $29,098.01, and an increase over the year 1918 of $66,101.04.

The Death Claims during the year were (net) $13,492.01 as against $15,592 in 1919 and $29,550 in 1918.

From the Cash Receipts during the year the Company after payment of Claims, Re-insurance Premiums and Expenses was able to carry the substantial sum of $90,809.89 to Investment Account.

The Balance Sheet as at December 31st, 1920, showed Assets of $299,405.95 with Liabilities, including Reserve Value of all Policies in force with provision for additional Guarantees of $225,-011.42, leaving surplus Assets over Liabilities (excluding Capital) of $74,394.53, an increase for the year of $36,216.87.

Intending Insurers should enquire for rates and particulars of the "All Guaranteed Policies" being issued by this Company. During the year 1920 not a single letter or message was received at the Head Office indicating either misunderstanding of, or dissatisfaction with, the policy held in the Company.

HEAD OFFICE: SECURITY BUILDING, 37 YONGE STREET, TORONTO

J. O. McCARTHY, Vice-President and General Manager.

Brig.-Gen. SIR HENRY M. PELLATT, C.V.O., President.

New Issue
We Own and Offer

$4,000,000.

Mount Royal Hotel Company, Limited

(Incorporated under the laws of the Dominion of Canada.

Head Office of the Company, Montreal, Canada

8% Convertible Debentures

DENOMINATIONS: $100, $500, $1000 and $5000

Dated December 1st, 1920, coupons payable quarterly, 1st of January, April, July and October, in each year, first coupon bearing interest for four months. Coupons payable at Royal Bank of Canada, Montreal or New York. All debentures to be converted into 8% Cumulative Preferred Stock (fully paid and non-assessable) on July 1st, 1923. The Preferred Stock is redeemable in whole or in part at the option of the Company at any time upon payment of capital paid up thereon plus 10% and all accrued and unpaid dividends. Dividends payable quarterly.

CAPITALIZATION

	Authorized	Issued
8% Debentures to be converted into 8% Cumulative Preferred Stock	$4,000,000.00	$4,000,000.00
Common Stock Par Value $100	5,000,000.00	5,000,000.00

8% Preferred Stock—Authorized $5,000,000 (of which $4,000,000 is to be used in payment of like amount of Debentures and $1,000,000 to remain in the Treasury of the Company).

To be subject to a first mortgage or bond issue of $3,000,000 to be increased to $4,000,000 on completion of the 400 room addition.

BANKERS:—
ROYAL BANK OF CANADA

SOLICITORS:—
MEREDITH, HOLDEN, HAGUE, SHAUGHNESSY & HEWARD, MONTREAL, for the Hotel Company
BROWN, MONTGOMERY AND McMICHAEL, MONTREAL, for N. A. MacDonald and Company, Limited

ARCHITECTS:—
ROSS AND MACDONALD, MONTREAL

DIRECTORS:—

HON. SENATOR C. P. BEAUBIEN, K.C., Director Frontenac Breweries, Limited.
W. M. BIRKS, ESQ., Vice-President Henry Birks & Sons, Limited.
W. W. BUTLER, ESQ., President Canadian Car & Foundry Co., Limited.
W. J. CLUFF, ESQ., President National Electro Products Limited.
FRANK A. DUDLEY, ESQ., President United Hotels Co. of America
G. H. DUGGAN, ESQ., President Dominion Bridge Co., Limited.
HOWARD G. KELLEY, ESQ., President Grand Trunk Railway System.
COL. J. T. LOREE, D.S.M., Gen. Mgr. The Delaware & Hudson Co.
NORMAN A. MACDONALD, ESQ., President N. A. MacDonald and Co., Limited
A. D. MACTIER, ESQ., Vice-President Canadian Pacific Railway.
COL. F. S. MEIGHEN, C.M.G., President Lake of The Woods Milling Co. Limited.
COMMANDER J. K. L. ROSS, Director Canadian Pacific Railway.
THE HON. W. J. SHAUGHNESSY, K.C., Director Canadian Pacific Railway.
HON. SENATOR LORNE C. WEBSTER, President Holt Renfrew & Co., Limited.
BRIG.-GEN. J. LESLIE KINCAID, D.S.O., President Kincaid & Co., N.Y. City.

EARNINGS—PURPOSE OF ISSUE—MANAGEMENT

Detailed statement indicates earnings of over $7.00 per share on the Common Stock, the conservatism of which can be judged best by the fact that other hotels in the United Chain are paying from 10% to 25% on their Common Stock.

To meet the urgent demand on the part of the residents, transportation and other business interests of Montreal, commercial travellers and tourists, it is proposed to construct upon the most desirable site in the city, a modern fire proof hotel of 1,036 rooms. This hotel—The Mount Royal—will be operated as a link in the chain of twenty hotels in Canada and the United States which are managed by the United Hotels Company of America. The personnel of the local Board of Directors together with the fact that "The Mount Royal" will be operated by the United Hotels Company of America insures its success.

Interim certificate will be issued by the Montreal Trust Company pending delivery of definitive Debentures. Application will be made to list the Preferred and Common Shares on the Montreal and Toronto Stock Exchanges.

Price: Par and Accrued Interest with a Bonus of 40% Common Stock

Interest on Debentures and Dividends on Preferred Stock payable at option of holders in Montreal or New York exchange

Orders may be telephoned or telegraphed at our expense

N. A. MacDONALD AND COMPANY
LIMITED

35-37 King Street West | 2 Place d'Armes Square, MONTREAL | 112 Union Bank Building, OTTAWA

WITHOUT

your being subjected to medical examination the Life Assurance Companies of Canada for years refused to issue Life policies. Three years ago the Northwestern Life Assurance Company introduced into Canada Life Assurance without

MEDICAL

examination. That was three years ago. Results more than justified our action, and now other Life Assurance Companies are following our lead, and the system will eventually become standard practice in Canada.

Don't let the thought of Medical

EXAMINATION

keep delaying you. Assure your life with the most progressive Life Assurance Company in the Dominion—The Northwestern Life Assurance Company of Winnipeg.

Other Offices take only $1,000—we take up to $2,500 Without Medical Examination.

The Northwestern is a good company to insure in, and a good company to represent.

Head Office:
166 Donald Street, Winnipeg

The NORTHWESTERN LIFE ASSURANCE COMPANY
NORTHWESTERN BUILDING
WINNIPEG CANADA
J.H.C. MENLOVE, PRES. H.R.S. McCABE, MAN. DIR. F.O. MABER, SEC.-TREAS.

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WM. A. ROGERS, LIMITED

Report of the Directors to the Shareholders for the Year Ended December 31, 1920

The Directors present to the Shareholders their Twentieth Annual Report with accompanying statement of Assets and Liabilities as at December 31st, 1920:

Profit and Loss Balance brought forward from 1919	$303,448.83	
Less Federal Taxes on 1919 Earnings paid in 1920	65,057.65	
	$238,391.15	
Profits for the year	572,536.78	
		$810,927.93
The Appropriations were as follows:		
Transferred to Realty and Plant Reserve	$169,468.20	
Transferred to Reserve Account	50,000.00	
Dividends on Preference Stock for current year, at the rate of 7% per annum	78,596.00	
Dividends on Preference Stock of 5¼% on account of arrears	58,947.00	
		357,011.20
Balance forward to 1921		$453,916.73

The volume of business and the net profit for 1920 exceeded all former records.

The inventories on hand have been written down to present replacement values, and the shrinkage has been charged off in the year's expenses. The inventories are in excellent condition both as to character and prices.

In addition to the customary transfer to the Realty and Plant Reserve, the sum of $50,000 has been appropriated to the General Reserve Account, which now stands at $350,000.

Dividends totalling 12¼% were paid on the Preference shares during the year. These included 5¼% on account of arrears, leaving 8¾% still unpaid. It is proposed to continue these payments as opportunity offers during 1921.

The Profit and Loss balance is subject to deduction of the United States Federal taxes on 1920 profits, the amount of which cannot be determined accurately at this time.

Canadian Wm. A. Rogers, Limited, had a good year in 1920, and is not expected to call upon this Company for any contribution under the Guarantee Agreement, which continues to April 1st, 1924.

Business fell away toward the end of the year, and is quiet at the opening of 1921. We are seeing evidences of improvement, however, and look forward to a gradual restoration of confidence. It is our expectation that the curtailment that is likely to occur in the early part of 1921 will be made up in the later months, and that the year as a whole will yield a satisfactory and profitable volume.

By order of the Board,
S. J. MOORE,
President.

Balance Sheet December 31, 1920

ASSETS.

Real Estate		$ 458,779.83	
Property purchased for Employees	$23,739.40		
Less Mortgages thereon	11,985.41		
		11,753.99	
Plant, Machinery and Equipment		959,045.18	
Investments in other Companies		154,001.00	
Trademarks and Goodwill		850,000.00	
			$2,433,580.00
Prepaid Expense		$ 74,516.22	
Discount on Securities Sold		11,900.00	
			86,416.22
Merchandise		$1,614,916.44	
Accounts and Bills Receivable		619,930.46	
Cash at Bankers and in Hand		190,239.05	
			2,425,085.95
			$4,945,082.17

LIABILITIES

Capital Stock Issued:			
Preference Stock	$1,122,800.00		
Ordinary Stock	1,500,000.00		
		$2,622,800.00	
Six per cent. Serial Bonds outstanding		432,000.00	
			$3,054,800.00
Dividends on Preference Stock payable Jan. 3, 1921		$ 39,298.00	
Accounts and Bills Payable		607,610.95	
Accrued Interest on Bonds		10,800.00	
			657,708.95
Realty and Plant Reserve		$ 428,656.49	
Reserve Account		350,000.00	
Profit and Loss Balance (subject to U.S. Federal Taxes on 1920 Earnings)		453,916.73	
			1,232,573.22
			$4,945,082.17

At the Twentieth Annual Meeting of Shareholders, held on February 18th, 1921, the President, Mr. S. J. Moore, reviewed at length the Company's operations of the past year.

The Board of Directors was re-elected as follows: Messrs. S. J. Moore, W. D. Ross, Charles W. Colby, Ph.D., Hon. W. Caryl Ely, Hon. Holland S. Duell, R. E. Sage and E. G. Baker.

The officers were re-elected as follows: S. J. Moore, [illegible] D. R[illegible]

COAL PRODUCERS OF PACIFIC COAST MEET CRITICISM

Thos. Graham, Superintendent, Canadian Collieries, Spokesman

COMPETITION OF OIL

Use of Liquid Fuel From U. S. Said to be Short-Sighted Policy in Relation to Permanent Industry

By Resident Representative.

VICTORIA. — Vancouver Island coal producers decided a few days ago that they had received just about enough criticism and that it was about time to strike back. The result has been that prominent men associated with the industry have made statements to the general effect that the coal business, the production end of it at any rate, has nothing to apologize for and that it has played the game through the war period and the days since the armistice, accepting its knocks with a smile and getting little reward for its valuable service to industry and the consuming public.

Some illuminating points were made by Thomas Graham, general superintendent of the Canadian Collieries (Dunsmuir), Ltd., when he addressed the Associated Board of Trade, and he did not hesitate to tell the business and industrial interests of the province that they themselves were largely responsible for the rather insecure position in which some of the coal concerns now find themselves.

Short-Sighted Policy

Mr. Graham declared that the industries of British Columbia had pursued a short-sighted policy by relying on imported fuel oil in preference to Vancouver Island coal. He stated that fuel oil had replaced annually about 600,000 tons of Vancouver Island coal. This represented an expenditure of about $6,000,000 in United States by concerns which, by adopting different fuel, could assist in strengthening the rate of exchange and at the same time build up the coalfields of the province. He predicted that coal would play an important part in industry for hundreds of years to come, while the days of fuel oil were numbered. Further:

"The production of coal in British Columbia was 500,000 tons less in 1920 than in 1910," said Mr. Graham. "During the decade in which this province made the greatest industrial strides in its history its basic industry, coal, retrograded. The transportation companies, railways and steamship lines which had most to gain by the upbuilding of our own province contribute largely to the amount that you are paying out for foreign oil. The day is not far distant when your cities must return to the use of coal for power and heating purposes, and when that day comes the coal industry of Vancouver Island will be in no condition to take care of your wants. It has been neglected and starved and will be unable to respond on short notice to the increased production required to maintain the progress you have made during the past ten years, progress built on imported oil. You will then pay the price of past neglect not only in price but in curtailed output of your factories."

Denying the over-capitalization charge, Mr. Graham referred to his own company.

"The Canadian Collieries bought the Dunsmuir coal interests in 1910 for $11,000,000. Much reserve and common stock was placed on the market, and a debenture issue of $5,000,000 gold bearing bonds was floated in order to raise the money to develop the property. These bonds carried 6 per cent. interest. The interest was paid on this issue in 1911 and not one cent of interest has been paid since then. In 1914 the bondholders took over the property to protect their interests and they decided to forego interest until after the war. Since then the company has been reorganized and the bondholders accepted in the reorganization $500 of stock for every $1,000 of bonds owned, so that this company hasn't paid one cent of interest on its bonded indebtedness for the past nine years."

Cost of Production

Some figures relating to the cost of production were given to the B.C. division of the Canadian Institute of Mining and Metallurgy by George Wilkinson, chief inspector of mines. Of the total 1919 production of 1,699,348 tons, he pointed out, 251,239 tons were lost in washing and 9 per cent. was used under the colliery boilers, leaving 76 per cent. to be sold. Mr. Wilkinson gave as the selling price of a long ton of coal by the operator $6.98, and added that while the miner only received 90 cents for digging per ton, there were many other expenses which brought the price up to $6.25. He estimated that the operator got about 38 cents a ton as net profit. Some of the items entering into the cost of producing a ton of coal were given as fo[illegible] Inside mine expenses, $4; and washing, $1; general expenses, 45 cents. Then there were such factors as haulage, ventilation, track work, general timbering in the mine, pumping, hoisting, prospecting, weighing, dumping, taxes, screening, washing, and so on. After charges for bunkering, towage, insurance, unloading and similar expenses had been paid, Mr. Wilkinson said, the net cost of a short ton of lump coal was $13.06, for which the dealer received $14.50, a profit of $1.44 a ton.

LABOR THE BIG COST FACTOR IN STEEL PRODUCTS

Continued from page 17.

product says: "Is this all you can see in that lump of iron? Give me a bar and I will show you what brain and skill plus hard work can make of it." He has seen a little farther into the rough bar. He has studied many processes of hardening and tempering. He has acquired tools and grinding and polishing wheels and an annealing furnace. Under his hand the iron is further fused, carbonized into steel, drawn out, forged, tempered, heat soaked and quenched in liquid of some nature to improve its tempering and finally ground and polished with great care and patience. When this work is done he shows the astonished blacksmith $1,000 worth of knife blades, where the latter only saw $10 worth of crude horseshoes.

Along comes another artisan and looking at the product of the cutler, he says: "Knife blades are all very well if you can make nothing better, but you haven't half brought out what is in that bar of iron." He can see higher and better uses. The third artisan has a more delicate touch, finer perception, higher ideals, better training and superior determination, which enable him to look still further into this rough bar—past the horseshoes and past the knife blades—and he turns this crude iron into the finest needles, with eyes cut with microscopic exactnesss. The production of the invisible points requires a more delicate process, a finer grade of skill than the cutler possessed. This feat is considered marvelous and the third artisan thinks he has exhausted all the possibilities of the iron because he has multiplied the value of the cutler's product many times.

Along comes still another skilled mechanic with a mind more finely organized and a still more delicate touch, more patience, more industrious and of a higher order of skill, together with better training, and he passes with ease by the horseshoes, the knife blades, and needles, and returns the product of his bar of iron in fine hairsprings for watches. Where the others saw horseshoes, knife blades and needles only worth a few thousand dollars, his penetrating eye shows a product worth tens of thousands and following the process down still further we find the little barbed instruments used by dentists to draw out the finest branches of dental nerves being sold at a price worth hundreds of times as much per pound as gold itself.

By the application of this human energy, intelligence, skill, patience and scientific training, together with the use of modern plant equipment and machinery, our products of commerce are produced, and in some particular lines the price of pig iron per ton at the blast furnace practically has no meaning at all, because the one main thought, the one big factor that enters into the whole proposition is the value of the human energy involved.

These are my reasons for advising you never to use the old stereotyped phrase—that pig iron is down.

Decline Comparison

Comparing advances of average commodities between the years 1914 and 1920 we find the following comparative views. The United States has reduced these advances 66 2-3 per cent., England 40 per cent., France 25 per cent. and Canada 30 per cent.

Therefore, taking these other countries as a competitive basis, we must have a further average reduction of 10 per cent. to be on a par with Great Britain, or a further average reduction of 36 2-3 per cent. to be on the same footing as the United States.

Equal Contribution

When the manufacturer and the jobber and the retail man contribute to deliver goods to the consumer and having done their bit by contributing their surplus profit, and the ultimate consumer still maintains the attitude that the price is still too high, only one factor remains, namely, wages, and if wages will not contribute, then production ceases until it does. Wages must conform to the new basis of commodity prices, not because we want it so, but from the very nature

Every Man Intends to Make a Will

But when one feels fit and eager for the day's work, can make the ninth hole in four, and help carry a canoe around a three-mile portage—it's hard to contemplate the idea of a WILL with any seriousness.

That is why so many men die without making any will.

That is why so many a comfortable little fortune is wasted in legal tangles.

That is why so much property gets into hands for which it was never intended.

Every man has rather decided views about the disposition of the wealth that he has created and saved. And he can enforce his wishes by a carefully drawn will and a wise choice of an executor. He can choose no executor who will administer his estate more prudently and faithfully than—

The Canada Permanent Trust Company

Put your intention into effect to-day, and name as your executor

THE CANADA PERMANENT TRUST COMPANY

18 TORONTO ST., TORONTO
PAID-UP CAPITAL - - - $1,000,000
Manager, Ontario Branch, A. E. HESSIN

REPORT OF THE 28th ANNUAL MEETING OF THE

Winnipeg Electric Railway Company

Held February 9th, 1921

At the annual general meeting of the Shareholders of the Winnipeg Electric Railway Company, held in the head offices of the company, on February 9th, 1921, the report of the president and directors and the financial statements for the year ending December 31st, 1920, were presented and adopted.

The following directors were elected for the ensuing year and until their successors are appointed:—Sir Augustus Nanton, A. W. McLimont, Hugh Sutherland, George V. Hastings, J. D. McArthur, G. W. Allan, K.C., A. J. Nesbitt, W. J. Bulman and W. R. Bawlf.

The following are the officers of the Company for the ensuing year: Sir Augustus Nanton, president; A. W. McLimont, vice-president; F. Morton Morse, secretary; L. Palk, assistant secretary, and J. S. Mackenzie, treasurer.

The report of the president and directors stated:—

The gross earnings for the year 1920 show an increase of $949,221.54 over the previous year. Notwithstanding the heavy increase in wages and other operating expenses, the net income shows an increase for the year of $498,720.12.

The year 1920 began with prices of commodities and labor climbing upward at a rapid rate, and while it did not seem possible that this ascent could continue indefinitely, the first half of the year had elapsed before there appeared any sign of the peak having been reached.

In July a Board of Arbitration awarded increased wages to the Company's employees, such increase being made retroactive to the 1st May. As a result of the Company's application to the Manitoba Public Utilities Commission, increased rates were granted and an appraisal of the physical value of the Company's property was arrived at. The increased rates and fares authorized assisted in offsetting the increased operating expenses which had resulted from the rising costs of material and labor.

In April last the Company's south Main Street car barn, together with 21 cars and other equipment, were destroyed by fire. A new fireproof, fully modern car house has been erected on the site of the old one, and all rolling stock destroyed has been replaced. Something over $300,000 was recovered from insurance.

The different utilities of the Company all show a satisfactory growth over the preceding year. The gross earnings of the Company exceeded those of 1919 by $949,221.54.

The Company has continued making extensive improvements in all departments and in that connection has expended during the year more than $900,000. This includes replacing property destroyed by fire.

It will be observed that after payment of all fixed charges, and making provision for depreciation, the Company made a net profit of nearly $600,000.00, which is substantially the best showing of any year since 1914.

For the purpose of retiring as far as possible the Company's floating liabilities, a new issue of Preferred and Common shares was authorized, which stock is being placed on the market, and it is expected will all shortly be disposed of.

The Company has continued its policy of providing the public with adequate service, and seeks to establish and maintain good relations with the public, realizing that the welfare of your utilities is a matter of public consequence, which policy we believe has met with a marked degree of success.

Respectfully submitted,
A. M. NANTON, President.

Gross Earnings from Operations		$5,233,700.65
Operating Expenses, before charging Depreciation		3,428,897.43
Net Operating Revenue		$1,804,803.22
Miscellaneous Income		76,700.11
Income available to meet fixed charges, etc.		$1,881,503.33
From which the following deductions are made:		
Interest charges on Debenture Stock, Bonds, Gold Notes, etc.	$716,214.85	
Extinguishment of Discount on Securities	26,786.76	
City Percentage and Car License Taxes	181,249.01	
Taxes	127,239.48	
Miscellaneous Non-Operating Expenses	2,942.81	
Other Income Deductions	30,495.74	
		1,[illegible]
Net Income as shown on Accounts submitted herewith, excluding depreciation		$[illegible]
Deduct:		
Depreciation		[illegible]
Net Income transferred to Surplus		[illegible]
Surplus brought forward from 1919 as Adjusted		[illegible]
Net Income for year transferred		[illegible]
Dividend on 7 Per Cent. Cumulative Preferred Stock		[illegible]
Sinking Fund Appropriation		[illegible]

GENERAL SALES & ENGINEERING CO.

G. A. McLEOD, C.A. W. H. NOONAN, C.E.

Manufacturers' Agents Engineers Builders and Construction Supplies

Commission Merchants Exporters

ROY BUILDING - HALIFAX, N.S.

A Neighborly Service for a Moderate Charge

THE STERLING BANK

OF CANADA

There is no institution, large or small, which will not experience the stimulating influence of our "Personal Service" policy. Let us explain why—in your office or ours.

Provincial Paper Mills Limited

Annual Meeting

HELD ON

Wednesday, February 16th, 1921

TO THE SHAREHOLDERS:

Your Directors have pleasure in submitting herewith statement for the Fiscal Year ending December 31st, 1920.

Please remember when comparing this statement with that of December 31st, 1919, issued by the Provincial Paper Mills Co., Limited, that the present statement includes the pulp mill formerly operated by the Port Arthur Pulp and Paper Co., Ltd., and which was acquired as result of re-organization the first of the year.

During the year there was an abnormal demand for the product of your mills, enabling all plants to run to capacity, and this, with the high values, made our total sales reach the high record of $7,658,176.66.

We have pursued the policy of making our product of a quality and at a price which compels Canadians to buy in Canada. It would be impossible at this time to say definitely what our business will be for the coming year, but intimations from Catalogue and Periodical Publishers would indicate an increased demand. Present commitments, while less than at the corresponding period of last year, are quite satisfactory.

When organizing the Company, provision was made for financing future extensions by authorizing $3,000,000, twenty-year, 6% Bonds. $2,000,000.00 of these Bonds have been exchanged for a like amount of Bonds that were outstanding against the Port Arthur Pulp & Paper Company, Limited, thus enabling us to discharge the prior mortgage on the Port Arthur mill. $305,000.00 of the Bonds were sold for cash, the amount being invested in Canadian Government Victory Bonds for use when further building operations are commenced.

During the year we received from the Ontario Government, the rights for 21 years, to cut pulpwood on an area containing over 1,300 square miles. Now that our supply of pulpwood is assured, we are in position to proceed with our plans for the extensions at Port Arthur which include a Paper Mill.

Submitted on behalf of the Directors, by

I. H. WELDON,
President.

Toronto, February 16, 1921.

Statement, December 31st, 1920

ASSETS

PROPERTY AND PLANT:		
Real Estate, Buildings and Equipments, etc.		$4,952,681.24
CURRENT ASSETS:		
Cash on hand and in Banks	$ 315,166.91	
Bills Receivable	111,735.60	
Accounts Receivable, Less Reserve for Bad Debts	811,600.42	
Victory Bonds (par value $403,500.00)	396,800.00	
Government Deposit on Timber Limits	100,000.00	
Investments	55,750.00	
		1,791,052.93
OTHER ASSETS:		
Inventory—Stock, Supplies, Paper, Pulpwood, Prepaid Insurance, etc.		759,469.42
Partial Payment on Undelivered Wood		62,414.40
		$7,565,617.99

LIABILITIES

CAPITAL STOCK:		
Common—Authorized	$7,600,000.00	
Less Unissued	4,100,000.00	
		$3,500,000.00
Preferred—Authorized	$2,400,000.00	
Less Unissued	700,000.00	
		1,700,000.00
MORTGAGE DEBTS:		
First Mortgage 6% Serial, Due 1921-1922		60,000.00
Bonds, 20-Year, 6%, Due 1940: Authorized—$3,000,000.00. Issued		505,000.00
CURRENT LIABILITIES:		
Accounts Payable, including Accrued Wages and Reserve for War Tax, Payable in 1921	$ 600,185.68	
Accrued Dividends Unclaimed	6,618.00	
1¾% Dividend on Preferred, $1,700,000, Payable January 3, 1921	29,750.00	
1½% Dividend on Common, $3,500,000, Payable January 3, 1921	52,500.00	
1% Bonus on Common, $3,500,000, Payable January 3, 1921	35,000.00	
		724,053.68
OTHER LIABILITIES:		
Reserve for Depreciation on Buildings and Plant		443,161.18
Balance Profit and Loss Account		633,403.13
		$7,565,617.99

In our opinion the above statement of Assets and Liabilities correctly sets forth the position of the affairs of the PROVINCIAL PAPER MILLS LIMITED, on the 31st day of December, 1920, as recorded in the books of account. All of our requirements as Auditors have been complied with.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

Toronto, Ontario, January 26th, 1921.

INCOME ACCOUNT
For Year Ending
DECEMBER 31st, 1920.

Profits for Year, after Allowing for War Tax, Payable 1921	$1,225,775.06
Interest and Dividends Received	22,365.00
	$1,248,140.06
Less Interest paid out	28,236.93
	$1,219,903.13
Less Reserve for Bad Debts	10,000.00
	$1,209,903.13
Less Allowance for Depreciation on Buildings and Plant	200,000.00
	$1,009,903.13
[illegible] Preferred Dividends paid and Authorized	119,000.00
	$ 890,903.13
[illegible]ommon Dividends Paid and Authorized	257,500.00
[illegible]PLUS FOR YEAR	$ 633,403.13

[illegible] and verified.

(Signed) P. S. ROSS & SONS,
Chartered Accountants.

[illegible]6th, 1921.

[illegible]AND BOARD OF DIRECTORS, 1920

[illegible] A. Weldon, Vice-President; S. F. Duncan, Secretary-[illegible]

DIRECTORS:

[illegible] S. F. Duncan, Alex. Fasken, S. B. Monroe, [illegible]
[illegible]mpbell, Sir Charles Gordon, K.C.B.E.

PRINCIPLE OF NO PAR STOCK NOT WHOLLY POPULAR

Makes It Easy To Create An Excessive Number of Shares

NO STANDARD BASIS

Of Computing Extent of Co.'s Profits or Financial Position—Dom. Companies Act Permits Issue

A number of Canadian companies have taken advantage of the privileges offered by the amendment to the Dominion Companies Act allowing with reservations companies incorporated under the act, either upon their formation or reorganization, to issue shares without nominal or par value. The act as amended provides for the issue of capital stock without par value, except in the case of preferred stock having a preference as to principal. It is required that the letters patent shall set out the amount of capital with which the company will carry on business, which amount shall not be less than the amount of preferred stock, if any, authorized to be issued, with a preference as to principal, and in addition a sum of $5 or some multiple of $5 for every share authorized to be issued other than this preferred stock. The act prescribes that such a statement shall be in lieu of any statement as to the maximum amount of the capital stock. The issue of no-par value shares may be made for such consideration as the board of directors decide, upon the receipt of the necessary authority from the existing shareholders.

The principle involved in the creation of "no-par value" stock has not been regarded with universal favor. Until the Companies Act was amended opposition was offered on the ground that no means of determining the extent of the capitalization of a company was available, when there was no fixed basis affecting all companies upon which stock offerings were made to the public. The position of the shareholders was, therefore, not so secure as under the ruling which made it illegal for a company to sell its stock at below par, for in the latter case the amount of capital received by the company could be readily determined.

Companies with shares without par value have been created for many years under the laws of certain European countries. The idea was first suggested in the United States about 1892, and the plan was adopted a decade ago, not, however, before it had been subjected to prolonged discussion. The views of the Hadley Commission appointed by the United States Government to look into the advisability of making provision for the formation of companies with stock of no par value will be of interest:

We do not believe that the retention of the hundred-dollar mark or any other dollar mark upon the face of the share of stock is of essential importance. We are ready to recommend that the law should encourage the creation of companies whose shares have no par value and permit existing companies to change their stock into shares without par value wherever their convenience requires it. After such conversion any new shares could be sold at such price as was deemed desirable by the board of directors with the requirement of publicity as to the proceeds of the sale of such shares, and as to the disposition thereof, giving the old shareholders, except in such cases of reorganization or consolidation, prior rights to subscribe pro rata if they so desire in proportion to the amount of their holdings.

Two objections are pointed out in the report. First, their issue will permit inflation, by making it easy to create an excessive number of shares, and, second, that it will produce a division of companies into those whose shares have par value and those whose shares have no par value. The second, however, it is pointed out, did not appear to be a serious objection, and any difficulty could be readily overcome. Stocks of these two classes were listed upon the stock exchanges, and the market price was determined in each case by the public estimation of the earning powers of the company without taking into account whether the stock had par value or not.

The danger of inflation deserved more consideration, the report points out. It was believed to be more apparent than real, however, as shareholders would be jealous of permitting other shareholders to acquire shares in the company except at full market value, and would not permit the issue of such shares to themselves at prices so low as seriously to impair the market or other value of [illegible]ir holdings.

[illegible]Original promoters of no-par value [illegible]ck in the United States saw in th[illegible] [illegible]thod a way of overcoming the [illegible] [illegible]fits tax. Under the [illegible] ment no accurate basis was available upon which to determine the tax. In Canada a number of companies have adopted the no-par value principle, and have been active in issuing new shares to existing stockholders, the motive alleged being primarily to conceal the extent of profits from the public through reducing the proportion available for distribution upon each share.

The division of profits under this arrangement is simple. If there are, say, 1,000 shares of no-par value stock, and the net earnings are $10,000 it is clear that each share is entitled to $10, and if the total earnings are disbursed in dividends then each share of no-par value would get $10. In the case of stocks with $100 par value the disbursement of this amount woudd be at the rate of 10 per cent. upon the $100,000 par value of the 1,000 shares. The market value of no par value stock will depend upon the same factors that tend to measure the market value of $100 par value shares. These factors are the earning power per share, the market value of money, the character of the management, and the future prospects of the corporation. There is no distinction in market trading between shares of par and of no-par value.

The chief objection offered to stock of this nature is that there is no definite basis for the establishment of the rate of earnings, and it is somewhat more difficult to determine the company's true position.

OVER $11,000,000 IN SINKING FUND

City of Winnipeg's Fund Carefully Administered, Figures Show

The very satisfactory condition of the city of Winnipeg's sinking fund is set out in the report of the trustees for the eight months ended December 31 last.

The report shows assets in the fund amounting to $11,724,062.16, which, deducted from the gross debt on the same date, leaves the city with a net debt of $31,790,866.60. The net debt of the city on April 30 last amounted to $29,300,428.10, showing at the end of the year an increase in the net debt of $2,490,438.50.

The total received by the trustees from all sources in the eight months amounted to $5,704,821.99. This sum was applied: city debentures maturing, and redemption of stock purchased and cancelled and accumulation in respect of stock conversion, $814,298.73; investments made during the period, including accrued interest to date of purchase, $4,157,416.38; salaries, etc., and general administration, $15,590.29; cash in bank at December 31, $717,521.50.

The report points out that "in accordance with the adopted policy the investments purchased at a premium have been written down to par value, while investments purchased at a discount are included at cost. The par value of the bonds and debentures held by the trustees is $937,265.23 in excess of the value at which they are taken in on the balance sheet, and this may be regarded as an additional reserve realizable at maturity of the respective debentures. Possible depreciation has been provided for."

NOVA SCOTIA SAVINGS

$10,000 Added to Rest Fund on Year's Operations

By Resident Representative.

HALIFAX.—The seventy-first annual financial statement of the Nova Scotia Savings, Loan and Building Society, to be presented to the shareholders, shows $10,000 added to the rest account at the end of the year, making that account now $194,068. The general fund account shows payment of subscriptions on all shares amounting to $647,100. The deposits were $98,885 and the debenture account $136,991. The advances to shareholders during the year were $380,234 and the withdrawal of shares, including bonuses, $198,379. Deposits repaid and interest amounted to $123,243 and debentures repaid and interest $186,805. The statement of liabilities and assets is as follows:

Liabilities

Subscription shares	$1,007,410.03
Deposits	117,425.78
Debentures	565,211.05
Balance of Bonus	3,319.96
Reserved against taxes	22,785.64
Rest account	194,058.69
	$1,910,211.15

Assets

Advances and loans	$1,882,895.26
Insurance due by borrowers	276.93
Canada Bonds	15,037.50
Office premises	8,000.00
Cash in Bank	4,001.46
	$1,910,211.15

A large proportion of the expense of [illegible]nagement of this old and prosperous [illegible] society is raised by means of [illegible]m of monthly dues payable on [illegible]

HOTEL INDUSTRY

as a Field for Investment

The History of the Hotel Business Has Been One of Steady Growth.

More recently the tendency has been towards hotel management under the "chain" or "circuit" system. The advantages of operating a number of hotels under one management are at once obvious—one large purchase for 20 "chain" hotels by the organization makes possible smaller operating costs for each individual hotel in the "circuit". Other items of hotel expense are reduced in the same way when the hotel is a link in a "chain".

The lower cost of running "chain" hotels, as compared with other classes of hotels, makes for larger profit for the "chain" hotels. As a result, investments in "chain" hotels are becoming recognized by investors, more and more in recent years, as comparing favourably with the securities of stable industrial companies.

N. A. MacDONALD AND CO.
LIMITED

35-37 King St. West, TORONTO — 2 Place d'Armes Sq., MONTREAL — 112 Union Bank Bldg., OTTAWA

CITY OF RED DEER, ALBERTA

BALANCE SHEET, December 31st, 1920

ASSETS

CAPITAL ASSETS:			
Equipment—			
Fire Apparatus		$ 3,679.4[illegible]	
Police Department		244.46	
Public Works		855.17	
Hospital Furniture		5,665.35	
City Hall Furniture		1,316.20	
			$ 11,760.81
Real Estate and Buildings—			
Isolation Hospital—unexpended balance of debentures sold		$ 28.63	
Exhibition Park		54,545.29	
Gaetz Park		4,115.00	
Isolation Hospital		399.01	
Civic Centre		89,043.05	
Nuisance Ground		1,967.00	
Lots 6, 6 and 7, Block 23		1,200.00	
Lots 18 and 19, Block 24		800.00	
Hospital		40,764.35	
Rink Property		1,648.45	
Sewer Outlet Land		3,500.00	
Station Park Improvements		1,515.76	
Waskasoo Park		22,489.38	
Waterworks Intake		2,600.00	
Woodlea Park		2,344.15	
Cemetery		1,605.00	
Sundry Real Estate		205.00	
Victoria Avenue Bridge		1,679.08	
Construction—			
Boulevards	$ 595.60		
Boulevards: Unexpended balance of debenture	33.52		
			230,349.15
		$ 629.12	
Cement Sidewalks	$ 65,445.85		
Cement Sidewalks: Unexpended balance of debenture	1,209.55		
		66,655.40	
Road, Bridges and Plank Walks		21,392.19	
Waterworks	$ 72,285.18		
Waterworks Inventory	1,515.09		
Waterworks: Unexpended balance of debenture	1,983.44		
		75,783.71	
Sewers	$ 60,453.44		
Sewers Inventory	823.03		
Sewers: Unexpended balance of debenture	288.93		
		61,565.40	
			226,025.82
			$468,135.58
REVENUE ASSETS—			
Cash on hand		$ 3,913.02	
Cash in Imperial Bank		17,080.82	
Cash in Imperial Bank Savings Account		775.98	
Arrears of Taxes to Dec. 31, 1919		99,733.64	
Arrears of Taxes, 1920		42,271.60	
Lands Sold, 1914		37.62	
Lands Sold, 1915		112.08	
Lands Sold, 1916		467.88	
Lands Sold, 1917		1,731.42	
Lands Confirmed, 1918		19,615.47	
Accounts Receivable as per list		3,021.78	
Water Rates Receivable		1,422.98	
Mortgage, Thompson		305.64	
Insurance Unexpired		181.86	
Treasury Bills, 1918 loss on sale		180.00	
Treasury Bills, 1919 loss on sale		6,597.09	
			197,448.88
			$665,584.46

LIABILITIES

CAPITAL LIABILITIES:			
Debenture Debt—			
Buildings, Equipment, etc.		$ 71,541.59	
Construction—			
Boulevards	$ 629.12		
Cement Sidewalks	66,655.40		
Roads, Bridges, etc.	21,392.19		
Waterworks	75,783.71		
Sewers	61,565.40		
		226,025.82	
			$297,567.41
Capital Surplus			170,568.17
			$468,135.58
REVENUE LIABILITIES—			
Accounts Payable, per list		$ 4,608.11	
Bills Payable, Imperial Bank		36,205.00	
Treasury Bills, 1918		8,000.00	
Treasury Bills, 1919		78,000.00	
Debenture Principal Unpaid		2,197.28	
Debenture Interest Unpaid		1,725.97	
Sinking Fund		26.24	
Revenue Surplus		67,686.28	
			197,448.88
			$665,584.46

We hereby certify that we have audited the Books of Account and Vouchers of the City of Red Deer, for the year ending December 31st, 1920, and that the above Balance Sheet is true and correct as shown by the said Books of Account at that date, and, in our opinion, presents a correct view of the affairs of the City of Red Deer.

BALDWIN, DOW & BOWMAN,
Chartered Accountants.